Case 12-25751-GMB Doc 33-2 Filed 08/21/12 Entered 08/21/12 17:38:40 Desc Exhibits Page 1 of 60 Exhibit A



Contract# 17885

Salos Partner: Capital Solutions

/ John Aitkens

MERCHANT CASH ADVANCE AGREEMENT

Agreement duted	January (Month)	以 (Day)	2012 (Yoar)	between Stra	tegic liunding	Source Inc.	(" <u>SESP</u> ") :	nd the mer	chain listed	below (*	the <u>Merchan</u>	<u>i</u> [").
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Merchant's Legal N	lume: <u>b2 Sal</u>	on LLC										
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Type of entity: () (Corporation	(X)Liu	iiled Liab	ility Company	() Limited F	artnership () Limited	Liability Pa	duership () Sole P	roprietor	
Physical Address: 7					City: Philude			State: PA			19147	
Mailing Address:					City:			State:		Zip:		
Date husinoss starte	d (mm/yy); !	02/11			Pederal ID#	Redact	4			·		&:::::::::::::::::::::::::::::::::::::
Monthly Total Sales		·················· ,,		_ Monthly C	ard Sales		- · · · · · · · · · · · · · · · · · · ·	Monthly Ca	sh Sales			
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Merchant heraby sail Merchant's future on cards, prepaid cards, of goods or reskitton Price, the Specified P are not satisfied.	mobile payme of services u	or ngats a tak und o nai the pu	ind other (1) ther slin(la) rehased am	ghis to payment paymant metho ount specified t	arising from or ods in the ordina oclow (the "Parc	relating to the c ry course of Me hard Amount	use by Mar- erchent's be 'Y her beau	chant's oustor sinoss (the ") deliveral by	mers of cush. Le <u>ccipts</u> ") fo	, credit or r the pays	rds, charge can nent of Mercin	ds, debi mi's sale
The Purchased Amou SFSI the percentage as SFSI receives pay agreement during the occurrence of an Eye equal 100%.	ment in full lerm of this	of the Pu contract.	peci <u>ncu Pc</u> ichasod Ai Notwithstr	<u>rconiago</u> ") of M Hount: Further; Jodina anything	terchant's settler note Merchant of the the contemp	ncot senounts d will not center i	ngo pungher pe iloni en	h card issuri cosh advene	with respect	to the R	evelpts, until so other type of f	uch time betering
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MERCHAN) AZ By Anthony Rossino	JE AM	ay lo	19 me	Haby	***************************************	athi	gnatura))			Sign Here	7
OWNER/GUARANT By Carls Rossino		MO	FW.	sano		ama		Make			Sign Here	1
OWNER/GUARANT By Anthony Rossing	(Print Name) OR #2 Ir. (Print Name)	RO /I	55Sup	Merry		Coth o	Roninte) Stuthte)	0		>	Sign Here	_
STRATEGIC FUND	ng sourc	L. INC.				ſ						
By	(Stralegic Fur	nding Sou	rce, Inc. OI	Ticer)	Associate Num		(gnature)					

Back person signing this Agreement on behalf of Merchant represents that he or sho is authorized to sign this Agreement on behalf of Merchant, and each person signing this Agreement on behalf of Merchant and/or as Owner/Guerrant represents that the information provided herein and in all of SPSI's forms is true, accurate and complete in all respects. SPSI may produce a monthly statement reflecting the delivery of the Specified Percentage of Receipts from Merchant to SPSI via Processor.

Any misrepresentation made by merchant or any owner/guarantor in connection with this agreement may constitute a separate cause of action for fraud or intentional misrepresentation.

MIRICGIANT CASH ADVANCE AGREEMENT TRIMS AND CONDITIONS

I. TERMS OF ENROLLMENT IN PROGRAM

1.1 Merchant Cash Advance Agreement. These terms and conditions shall be incorporated in and made a part of the ullached Merchant Cash Advance Agreement (such Merchant Cash Advance Agreement, as supplemented by these terms and conditions, this "Agreement").

1.2 Merchant Processing Agreement. Merchant shall execute an agreement (the "Merchant Processing Agreement") acceptable to SPSI, with a card processor acceptable to SFSI, m obtain card processing services. Merchant shall authorize Processor to deduct the amounts owed to SFSI for the Receipts as specified havein from settlement amounts which would otherwise be due to Mercham from Processor and transactions and to pay ruch amounts to SFSI pursuant to SFSI's inskuctions to Processor. The authorization shall be irravocable without the written consent of SFSI. Processor may rely upon the instructions of SFSI. without any independent verification, in making such deductions and payments, and Morchant waives any claims for damages it may have against Processor in connection with such acts unters such damages were due to Processor's failure to follow SFSI's instructions. 1.3 <u>Purchase Price Reduction.</u> SFSI may, in its sole discretion, reduce the Purchase Price if one or more card processing conditions are not satisfied.

1.4 Bridge / Control Account. Marchant may be required to open a new bank account into which 100% of the actilement amounts will be deposited and the Specified Percentage collected by SFSI (the "Bridge / Control Account") Morehant appoints SFSI as "Acting Agent" over the Bridge / Control Account, and shall instruct Processor to designate the Bridge / Control Account as the deposit account for all of Merchant's customers' card transactions. Merchant assumes all responsibility for all feet, costs, chargebreds or suspicious items processed through the Bridge / Control Account (see "Miscellancons Service Fees" pangraph 3.7). Marchant agrees to maintain a minimum balonce in the Bridge / Control Account (the "Minimum Balance") equal to the per-month average of all fees charged in Merchant by Processor, averaged over a siz-month period.

1.5 Financial Condition. Merchant and each Owner/Guaranter sotherize SPSI, its agents and representatives, and any credit reporting agency engaged by SFSI, to investigate their creditworthiness, financial responsibility and history, and they agree to provide SFSI may financial statements, tax returns, reflecences, or other credit or Americal information as SPSI doesns necessary prior to or after execution of this Agreement. A photocopy of this authorization will be docmed as acceptable for release of credit and financial information. Merchant and each Owner/Gueranter authorize SI'SI to update their credit and financial profile from time to time in the foture, as SPS) decore appropriate. An investigative or communer report may be made or obtained in connection with this Agreement, 1.6 Transactional History. Merchant authorizes Processor and each of Merchant's hanks to provide SFSI upon request with Marchant's eard history or bank statements, as applicable.

1.7 <u>Indemulfication</u>. Merobant and each Owner/Guasantor jointly and soverally inderenify and should harmless Processor, its officers, directors and shortholders regainst all losces, damages, claims, liabilities and exponent (including reasonable automay's fees) incurred by Processor resulting from (a) claims asserted by SPSI for monues owed to SPSI from Merchant and (b) actions taken by Processor in reliance upon information or instructions provided by SPSI.

1.8 No Liability. In no event will Processor or SFSI he liable for any claims asserted by Marchant under

any legal theory for lost profits, lost revenues, lost business opportunities, accomplary, punitive, special, modernal, indirect or consequential dumages, each of which is weived by Merchant and each Owner/Committor.

1.9 Relinate on Torns. Sections 1.2, 1.7, 1.8, 2.8, and 4.6 hereof are agreed to for the bonefit of Morchant, SMSI and Processor, and notwithstanding the fact that Processor is not a party to this Agreement, Processor may rely upon their terms and raise them as a defense in any action.

1.10 Sale of Receipts. Merchant sod SFS1 infend that the transfer of the interest in the Receipts from Morehant to SPSI constitute a sale, and not a loan, for all purposes. Merchant agrees that the Purchase Price equals the fair contact value of such interest. If, notwithstanding such intent, such transfer is not demand to constitute u sale, Marchagt hereby grants to SPSI a scounty interest in all right, title and interest of Merchant in and to the Receipts, which security interest shall secure the payment of the Purchased Amount and all other obligations of Morchant under this Agricment. In no event shall the aggregate of all amounts deemed interest horounder and charged or collected heraunder exceed the highest rate parmissible at luvy. In the event that a court determines that SISI has charged or received interest becounder in excess of the highest applicable this, the rate in officet hereunder shall minumatically be reduced to the maximum rate permitted by applicable law and SFSI shall promptly refluid to Merchant any interest received by SPSI in excess of the maximum lawful rate, it being intended flial Merchant not pay or contract to pay, and that SPSI not receive or contract to receive, directly or indirectly in any manner whatsoever, interest in excess of that which may be paid by Merchant under applicable law, Merchant hereby authorizes 31°Si to file any financing statements deemed necessary by SPS1 to portice or maintain SPSI's turcrest in the Receipts.

1.11 Power of Atterney, Merchant irreveously appoints StS1 and any assignee of SFS1 as its ogent and alterney-in-fact with full authority to take any action or exocure any instrument or document to sottle all obligations due to SFSI from Processor, or upon the occurrence of an Event of Defiult under Section 3.1 hereof, to some all obligations due to SESI firm Merchant, under this Agreement, including without limitation (i) to obtain and adjust insurance; (ii) to cultert monies due or to become due under or in respect of any of the Collateral (as defined in the Merchant Sesurity Agreement and Guaranty); (iii) to receive, endouse and unifers any checks, notes, drufts, instruments, documents or chattel paper in connection with clause (i) or clause (ii) shove; (iv) to sign Merchant's name on any invoice, bill of lading, or assignment directing customers or account debiors to naike payment directly to SFSI; and (v) to file any claims or take any action or institute any proceeding which SFSI may deem necessary for the collection of my myseld Purchased Amount from the Collateral, or otherwise to enforce its rights with respect to payment of the Purchased Amount.

1.12 Protection of Information. Morehant and each person signing this Agreement on behalf of Merchant and/or as Owner/Gustantor, in respect of hierardic personally, authorizes SPSI to disclose to any third party information concerning Merchant's and each Owner's/Gustantor's tradit standing (including credit buseau reports that SPSI obtained) and business conduct. Merchant and each Owner/Gustantor hereby waive to the maximum extent permitted by tow any claim for damages against SPSI or any of its uffillates relating to any (i) layestigation undurtaken by or on behalf of SPSI as permitted by this Agreement or (ii)

disclosure of information as permitted by this Agreement.

1.73 Confidentiality. Merchant understands and agrees that the terms and conditions of the products and services offered by SFSI, including this Agreement, the Merchant Security Agreement and Guaratty and any other documents executed in connection with such agreements or related to such agreements (collectively, "Confidential Information") are proprietary and confidential information of SFSI. Accordingly, unless disclosure is required by law or court order, Merchant shall not disclose Confidential Information to any person other than on attentey, accountant, financial advisor or employee of Merchant who needs to know such information for the purpose of advising Merchant ("Advisor"), provided such Advisor uses such information solely for the purpose of advising Merchant ("Advisor"), provided such Advisor uses such information solely for the purpose of advising Merchant ("Advisor"), provided such Advisor uses such information solely for the purpose of advising Merchant and first agrees in writing to not disclose Confidential Information to any person in necordance with the terms of this Section 1.13.

1.14 Publicity. Merchant and each Owner/Quaranter authorize SFSI to use their respective names in a histing of clients and in advertising and marketing materials. 1.15 DIBA's. Marchant and each Owner/Quaranter hereby auknowledge and agree that SFSI may be using "doing business as" or "db'ba" names in connection with various matters relating to the transaction between SFSI and Marchan, including the filing of UCC-1 financing statements and other notices or filings.

1.16 <u>Pinaucial Information</u>. Merchant and each Owner/Guaranter shall provide to SFSI upon request copies of financial statements representing the linuarial condition of Merchant and/or such Owner/Guaranter.

U. REPRESENTATIONS, WARRANTIES AND COVENANTS

Merchant and each Owner/Quaranter such represents, warrants and coverants that as of the date of this Agreement and on such date during the term of this Agreement.

2.1 Minuscial Condition and Fluancial Information. Its financial statements, copies of which have been farmished to SPSI, and any financial statements furnished to SPSI harcafter, fairly represent the financial condition of Merchant and cach Owner/Guarantor at such dates, and since those dates there has been no material adverse change, financial or otherwise, in such caudition or in the openation or overestrip of Merchant. Merchant has a continuing, affirmative obligation to advise SF3I of ony material adverse change in its financial condition, operation or overestrip.

2.2 Governmental Approvals. Morehant is and will remain in compliance with all laws and has valid permits, authorizations and licenses to own, operate and lease its properties and to conduct the business in which it is presently engaged.

2.3 Authorization. Merchant, and the person(s) signing this Agreement on behalf of Merchant, have power and authority to execute this Agreement and to incur and perform the obligations under this Agreement, all of which have been duly sufferized.

2.4 Insurance. Merchant has and will maintain business-interruption insurance mening SFSI at loss payor and additional insurance in such amounts and against such risks as are satisfactory to SFSI and shall provide SFSI proof of such insurance upon request.

2.5 Merchant Processing Agreement and Avenue on the Million SPSI's prior written consent, Morchant will not: (i) change the card processor through which the Reacipts are sattled from Processor to another each processor; (ii) permit any event to occur that could cause diversion of any of Merchant's each crustactions from Processor to another processor; (iii) change its arrangements with Processor or amend the

Merchant Processing Agreement in any way that is adverse to SPSI; (iv) add und processing (erminals; (v) use multiple card processing terminals; (vi) change its financial institution or hank account(s) (including, if applicable, the Bridge / Control Account); (vii) lake any other action that could have any adverse effect upon Merchant's obligations under this Agreement of SPSI's interest in the Reccipts; or (vili) take any action, fail to take any notion, of offer any incamiveeconomic or otherwise—the result of which could be to discourage the use of cords that are settled through Processor, or to induce any oustumors to pay for Merchant's services with any means other than eards that are settled through Processor, or permit my event to occur that could have an adverse effect on the use, acceptance, or authorization of cards for the purchase of Marchard's services and products.

2.6 Change of Name or Location. Merchant will not conduct its businesses under any name other than in disclosed to Processor and SPSI or change any of its places of huginess.

2.7 Daily Batch Out. Merchant will batch out receipts with Processor on a chily basis.

2.3 <u>Estopped Corfificate</u>, Merchant will at any time, and from time to time, upon at lesst one (1) day's prior nouse from SFSI to Morobaut, execute, acknowledge and deliver to SFSI and/or to any other person, firm or corporation specified by SFSI, a statement certifying that this Agreement is unundified and in full force and effect (or, if there have been modifications, that the same is in full force and effect are modifications) and stating the modifications) and stating the dates on which the Purchased Amount or any portion thereof has been cold.

2.9 No Bankruntey. Nother Marchant nor any Owner/Gurranter has filed any petition for bankruptey protection under Tirle 11 of the United States Code, no involuntary petition for bankruptey has been brought of is pending against Merchant or any Owner/Gurranter has admitted in writing its inability to pay its debts or made a general assignment for the benefit of creditors, and no other proceeding has been instituted by or against Merchant or any Owner/Gurranter seaking to adjudicate it insolvent or soaking reorganization, arrangement, adjustment or composition of it or its dobts. Merchant does not anticipate filling any such bankruptey petition and is not aware and has no reason to believe that any such bankruptey petition or other proceeding will be filed or brought against it or any Owner/Gurrantor.

2.10 Other (financiam, Merchant shall not enter into any arrangament, agreement or commitment that relates to or involves Receipts, whether in the forms of a purchase (such as a merchant cash advance) of, a loan against, or the sale or purchase of credits against, any Receipts, cash deposits or future card or mobile payment sales with any party other than SFSI without its written normission.

2.11 <u>Unencumbered Receipts.</u> Morchant has good and marketable title to all Receipts, free and clear of any and all liabilities, liens, claims, changes, restrictions, conditions, options, rights, mortgages, security interests, equities, pledges and encumbrances of any kind or nature whetanever or any other rights or interests that may be inconsistant with the transactions contemplated with, or adverse to the interests of, SFSI.

2.12 <u>Business Purnose</u>. Merchant is a volid business in good standing under the laws of the jurisdictions in which it is organized and/or operates, and Merchant is entering into this Agreement for business purposes and not as a consumer for personal, family or household numbers.

purposes.

2.13 <u>Default Under Other Contracts</u>, Merchant's execution of at performance under this Agreement will not cause or croate any breach or default by Merchant under any contract with another person or entity.

2.14 <u>February of Confession of Subtement.</u> Upon execution of this Agreement, Merchant shall, if requested by SFSI, deliver to SFSI an executed Confession of Judgment (the "Confession of Judgment"), in the farm provided by SFSI, in favor of SFSI in the amount of the Purchased Anjount.

2.15 Delivery of Assignment of Lease. Merchant and each Owner/Gustantor authorize SFSI to receive pertinent information regarding the commercial lease for the physical location(s) of Merchant's business (the "Premises") from any applicable leasing company and or agant. Metchant may be asked to deliver to SFSI an exceuted Assignment of Lease assigning all of Merchant's right, title and interest in and to the Premises and under the lease for the Premises the SFSI (the "Assignment of Lease").

2.16 Sale of Business. Merohant shall not soil, dispose, mansfer or otherwise convey its business or essets without (i) the express prior written exmeent of SFSI, and (ii) the written expressioned of any purchaser or transferre assuming all of Merchant's obligations under this Agreement pursuant to documentation ratisfactory to SFSI.

2.17 <u>Bridge / Control Account.</u> If Moroham is required to open a Bridge / Control Account. (i) Moroham will not, unless afferwise directed in writing by SPSI, take any action to cause the Specified Percentage of the self-emission amounts to be sattled or delivered to any account other than the Bridge / Control Account and (ii) Moroham will at all times maintain the Minimum Balance in the Bridge / Control Account.

2.13 Use of Proceeds. Marchant will conduct its husiness and use the Purchase Price in the ordinary course of its business, consistent with past practice.

2.19 Accuracy of Information. All information provided by Merchant and each Owned/Guaranter to SRSI herein, in the Morehant Security Agreement and Guaranty, and in all offer decuments executed in connection with such agreements or related to such agreements is true, accurate that complete in all respects.

III. EVENTS OF DEFAULT AND REMEDIES

3.1 Events of Default. The occurrence of any of the following evants chall constitute an "Event of Default" hereunder: (a) Merchani or any Owner/Guarantor violates any term, covenant or condition in this Agreement, the Merchant Security Agreement and Guaranty or any other agreement with SFSI; (b) any representation or warranty by Merchant or may Owner/Guaranter in this Agreement, the Merchant Security Agreement and Gueranty or any other agreement with SPSi shall prove to have been incorrect, incomplete, false or misteading in any motorial respect when made; (a) Merchant or any Owner/Guaranter admits in writing its inability to pay its debts, or makes a general assignment for the benefit of creditors; or any proceeding shall be instituted by or nguinal Merchant of any Owner/Guamator seeking to adjudicate it bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, or composition of it or its debts; (d) any Owner/Guaranter sends a notice of termination of the Merchant Security Agreement and Guaranty; (a) Merchant suspends, dissolves or terminates its business; (f) Merchant suits tal or substantially all of its assets; (g) Merchant makes or sonds notice of any intended bulk sale or transfer by Merchant; (h) Mcrehent performs uny zot that incombers the cash flow of the business placing undus stress on the viability of the operations and reduces the value of the Collectal or the security interest granted in the Collateral under the Merchant Security Agreement and Guaranty; (i) May Owner/Guarantor performs any not that reduces the value of the Additional Collatoral (as defined in the Merchant Security Agreement and Custanty) or the security

Interest granted in the Additional Collateral under the Merchant Security Agreement and Guaranty; or (I) Merchant or any Owner/Caurantor files say position for bankruptor under the United States code or an involuntary petition for bankruptory has been brought or is pending against Merchant or any Owner/Guarantor, (k)Merchant or any Owner/Guarantor defaults under any of the terms, covanants and conditions of any other nagreement with SPSI including those with affiliated / associated businesses.

3.2 Remedies. Upon the occurrence of an Event of Default that is not waived pursuant in Section 4.4 heroof, SFSI may proceed to protect and enforce its rights or remedies by suit in equity or by action at how. or both, whather for the specific performence of any covenant, agreement or other provision contained barein, or to caforce the perfermance of Merchant's and each Owner's/Guaranter's obligations hereunder, under the Merchant Socurity Agreement and Guaranty. or pursuant to any other legal or equitable right or remedy. Upon SFSI's notice to Maraliant of any Event of Definit, the emire Receipts Furthesed Amount and uspaid fros not already paid to SPSI shall become immediately due and payable to SPSI, in addition, upon an Rvent of Default (i) SFSI may enforce the provisions of the Merchant Security Agreement and Guaranty against each Owner/Guarantor; (ii) SFS1 may enforce its socurity interest in the Collateral and Additional Collateral; (iii) SFSI may dobit Merchant's deposit secounts wherever situated by means of ACH dobit or faccinaits algorithm on a computer-generated check drawn can Morchant's bank account or otherwise; (IV) SPSI may outer the Confession of Judgment as a judgment with the appropriate Clerk of Court and occounte thereon; and (v) SFSI may exercise its rights under the Assignment of Lessa. All rights, powers and remedies of SFSI in connection with this Agreement and the Marchant Scentity Agreement and Quantity may be exercised at any time by SPSI after the occurrence of an Event of Default, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remadles provided by law or equity.

3.3 Costs. Merchant and each Owner/Guaranter shall pay to SFSI all costs reasonably incurred by SFSI in connection with (a) any Event of Detaut including without limitation any breach by Merchant or any Owner/Communer of the representations, warmenties and covenants in this Agricement or the Merchant Security Agreement and Guaranty, and (b) the enforcement of SFSI's remedies sat forth in Section 3.2 hereof, including but not limited to court costs and atternays'

focs.

3.4 Required Modifications. Merchant and each Demen/Guarantur abail give SFSI written notice within 24 hours of any filing by Merchant or any Owner/Guarantor under Title 11 of the United States Code or of the occurrence of any other eyent described in Section 3.1(c) horsel. Merchant shall give SFSI seven days' written notice prior to the closing of any sale of all or substantially all of Merchant's assets or stock. Merchant shall give SFSI seven days' written notice prior to the SFSI seven days' written notice prior to the suspension, dissolution or terminations its husiness.

3.5 Befault fee. Upon the Occurrence of any Rvent of Default, and written notice to Merchant thoroof, Merchant shall pay to SiSI a default fee ("Default Fee.") of \$2,500. This Default Fee shall be payable on demand and stand in addition to any other fees or

Security Agreement or Guaranty.

3.6 Processor Change Fee, Morchant stall pay a processor change fee (the "Processor Change Fee") to SFSI in the amount of \$5,000.00 in the event that Merchant (i) uses multiple card processing terminals without the prior written consent of SFSI, (ii) changes its card processor without the prior written consent of SFSI or (iii) directs Processor to deliver sentiments.

penalties outlined within this Agreement, the Merchant

amounts to any account other than the Bridge / Control Account (if Merchant is required to open a Bridge / Control Account). Such Processor Change Fee (i) shall ha due and payable to SPSI on demand, (ii) is not exclusive of, and is cumulative with, any other fee or amount paid or payable to SFSI by Morchant pursuant to this Agreement or the Merchant Scourity Agreement and Guaranty; and (iii) shall not be construed in it waiver of any Event of Default heraunder or under the Merchant Society Agreement and Guaranty or as otherwise operating to reduce or limit SFSI's rights or remedies provided for herounder, under the Merchant Security Agreement and Guaranty or at law or in

3.7 Miscellancous Service Fees. Merchant shall pay certain fees for services related to the origination and maintenance of secounts which may include hat not be littuled to: Marchant funding is done electronically to their designated bank account and charged a fee of \$30,00 for a Fed Wire or \$12,50 for an ACH. The fee for underwriting and origination is \$295.00 paid from the funded amount. If Morchant is utilizing a Bridge / Control Account, there is an upfront fee of \$395.00 for the bank fees und administrative costs of maintaining such account for each cash advance agreement with Merchant. Fund transfers from Bridge / Control Accounts to Merchant's operating bank account will be charged \$7.50 per munth via ACH. Merchant will be charged \$35.00 for each clience of its operating bank account once active with SPS). Any administrative adjustments associated with clustiges to the Specified Percentage will incur a fee of \$50,00 per occurring.

INITIALS: A W

IV. MISCRILLANDOUS

4.1 Modifications; Agreements. No modification, norcodinent, or waiver of any provision of, or consent to any action under, this Agreement or the Merchant Socurity Agreement and Guaranty shall be effective unless the same is in writing and signed by SPSI

4.2 Assignment, SUSI may assign its rights and/or obligations under this Agreement and/or the Merchani Security Agreement and Guaranty in whole or in part without prior nutice to Morehant or any Owner/Guarantor, including, without limitation, its right to receive all or any partion of the Purchased Amount and its obligation to foul all or any portion of the Purchase Price. Merchant acknowledges that, if any such assignment is made, persons other than SFSI may have the right to exercise rights or remedies against Merchant pursuant to this Agreement. Merchant shall not have, and no Owner/Quarentor shell have, the right to assign its rights and/or obligations nucler this Agreement and/or the Merchent Security Agreement and Guaranty or any interest heroin or therein without the prior written consect of SFSI, which consent may be withheld in SPSI's sole discretion.

4.3 All notices, requests, consent, deniands and other communications hereunder and under the Merchant Scourity Agreement and Guaranty shall be delivered by ordinary mail, effective upon mailing, to the respective parties to this Agreement and the Merchant Security Agreement and Oppronty at the addresses set forth in this Agreement and shall become effective only upon receipt. The Parties hereto may also send such notices, raquests, consent, demands and other communications via facsimile ("FAX") or electronic mail ("Email") at such FAX numbers and email addresses communicated

by the parties hereto in writing.
4.4 Waiver Remedies. No failure on the part of SFSI to exercise, and no delay in exercising, any right under this Agreement or the Merchant Security Agreement and Guaranty shall operate us a waiver thereof, nor shall to the Acceptable Forum.

may ringto or partial exercise of any right under this 4.5 Survival of Representation, etc. Agreement or the Merchant Security Agreement and Guaranty preclude any other or further exercise thereof or the exercise of my other right. The remedies provided horomaler and under the Merelian! Security Agreement and Gunranty are completive and not exclusive of any remedics provided by line or equity.

4.5 Sollcitations. Merchant and each Owner/Gunranter authorize SPSI and its affiliates to communicate with, solicit and for market to Merchant and each Owner/Gustantor via regular mail, telephone, small and lausimile in connection with the provision of goods or services by SFSI, its affiliates or any third party that SPSI shares, transfers, exchanges, discloser or provides information with and will hold SFSI, its affiliates and such third parties harmless against any and all claims pursuant to the federal CAN-SPAM ACT of 2003 (Controlling the Assault of Non-Solicited Premography and Marketing Act of 2003), the Telephone Consumer Protection Act (TCPA), and any and all other state or federal laws relating to transmissions or solicitations by and any of the methods described above.

4.6 Terminated Morchant File and Match File. Merchant expressly asknowledges that a Terminated Merchant File ("TMF"), or any successor thereto, is maintained by MasterCard or VISA containing the business name and names and identification of principals of merchants which have been terminated for one or more of the reasons specified in MasterCard or VISA operating regulations. Such reasons include, but me not limited to, fraud, counterfeit drufts, unauthorized transactions, excessive charge-backs and retrieval requests, money laundering, or where a high security risk exists. MERCHANT ACKNOWLEDGES THAT PROCESSOR AND SISI ARE REQUIRED TO REPORT THE DUSINESS NAME OF MERCHANT AND THE NAMES AND IDENTIFICATION OF ITS PRINCIPALS TO THE TMF WILLN A MERCHANT IS TERMINATED FOR ONE OR MORE OF THE REASONS SPECIFIED IN MASTERCARD OR VISA OPERATING REGULATIONS, MERCHANT EXPRESSLY AGRRES AND CONSENTS TO SUCH REPORTING BY PROCESSOR AND SYST AND RELEASES HACH FROM ANY DAMAGES FOR DOING SO IN GOOD FAITH.

4.7 Binding Effects Governing Law, Venue and Jurisdiction, This Agreement and the Morchant Security Agreement and Guaranty shall be binding upon and inure to the bonefit of Merchant, each Owner/Gustantor, SPSI and their cospective successors and assigns. This Agreement and the Merchant Security Agreement and Guaranty shall be governed by and construed in accordence with the laws of the State of New York, without regard to any applicable conflicts of law principles. Any sait, action or proceeding arising hereunder or under the Morehant Security Agreement and Cumunty, or the interpretation, performance or breach hereof or thereof, shall, if SFSI su cleens, be instituted in any court sitting in New York, New York, (the "Accontable Porum"). Rach of Merchant and each Owner/Quatantor ograce that any state or federal court sitting in the Acceptable Forum is convenient to it. bereby irrevocably and unconditionally submits to the personal jurisdiction of any such court and hereby waives any and all objections to jurisdiction or venue, Each of Marcham and each Owner/Guaranter agrees that a final judgment in any such suit, action or producting brought in any such court shall be conclusive and binding upon such porty and may be enforced in any other counts to whose jurisdiction such party is or may be subject, by suit upon such judgment. Should such suit, action or proceeding be initiated in any other forum, Morehant and each Owner/Gunrumor waive any right to oppose any motion or application made by SESI to transfer such suit, action or proceeding

representations, warranties and covernms herain and in the Merchant Security Agreement and Gournnty shall survive the execution and delivery of this Agreement and the Merchant Security Agreement and Guaranty and shall continue in full force until all obligations under this Agreement and the Murchent Security Agreement and Guaranty shall linve been satisfied in fill and this Agreement and the Merchant Socurity Agreement and Guaranty shall have terminated.

4.9 Suvernbility. In case any of the provisions in this Agreement or the Merchant Soonity Agreement and Guaranty is found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceshillty of any other provision contained herein or therein shall

not in any way be affected or impaired.

4.10 Buffre Agreement, Any provision hereof or of the Morchant Society Agreement and Guaranty prohibited by law shall be ineffective only to the extent of such prohibition without invulidating the remaining provisions bereuf or thereof. This Agreement and the Morcium Security Agreement and Chinconty embody the online agreement between Merchant, each Owner/Guerantor and SFSI and supersede all prior agreements and understandings relating to the subject matter bereof.

A.11 JURY TRIAL WAIVER, THE PARTIES
HERETO WAIVE THIAL BY JURY IN ANY
COURT IN ANY SUIT, ACTION OR
PROCERDING ON ANY MATTER ARISING IN
CONNECTION WITH OR IN ANY WAY
RELATED TO THIS AGREEMENT OR THE MERCHANT SECURITY AGREEMENT AND GUARANTY OR TIME TRANSACTIONS CONTEMPLATED HERRRY OR THEREBY OR THE ENFORCEMENT HERBOT OR THEREOF. THE PARTIES HERETO ACKNOWLEDGE THAT EACH MAKES THE WAIVER KNOWINGLY, WILLINGLY, VOLUNTARILY AND WITHOUT DURESS, AND ONLY AFTER EXTENSIVE CONSIDERATION OF THE RAMIFICATIONS OF THIS WAIVER WITH ITS ATTORNEYS.

4.12 CLASS ACTION WAIVER. THE PARTIES HERETO WAIVE ANY RIGHT TO ASSERT ANY CLAIMS AGAINST ANY OTHER PARTY AS A REPRESENTATIVE OR MEMBER IN ANY CLASS OR HEPRESENTATIVE ACTION, EXCEPT WHERE SUCH WAYVER IS FROMBITED BY LAW. TO THE EXTENT ANY PARTY IS PERMITTED BY LAW OR COURT OF LAW TO PROCERD WITH A CLASS OR REPRESENTATIVE ACTION AGAINST REPRESENTATIVE ACTION AGAINST ANOTHER PARTY, THE PARTIES DERETO AGREB THAT: (1) THE PREVAILING PARTY WITH PURSUING THE CLASS OR THE CLASS REPRESENTATIVE ACTION **NOTWITHSTANDING** ANY OTTER PROVISION IN THIS AGREEMENT OR THE MERCHANT SECURITY AGREEMENT AND GUARANTY); AND (2) THE PARTY WHO INITIATES OR PARTICIPATES AS A MEMBER OF THE CLASS WILL NOT SUBMIT A CLAIM OR OTHERWISE PARTICIPATE IN ANY RECOVERY SECURED THROUGH THE CLASS OR REPRESENTATIVE ACTION.

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CONTRACTOR OF THE PRODUCTION OF THE PROPERTY O

4.13 Counterparts: Facsimile and PDF Acceptance.

This Agreement and the Marchant Security Agreement and Guaranty may be executed in counterparts, each of which shall constitute an original, but all of which tegether shall constitute one instrument. Signatures on this Agreement and the Marchant Security Agreement and Guaranty sent by facelimite or PDF will be treated as original signatures for all purposes.

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STRATEGIC FUNDING SOURCE, INC. MERCHANT SECURITY AGREEMENT AND GUARANTY

Merchant's Legal Name; b2 Salon, LLC

D/B/A: b2 Salon (South Broad)

Physical Address: 777 South Broad Street

City: Philadelphia State: PA

Zip: 19147

Foderal ID# Reducted

SECURITY AGREEMENT

Security Interest. To secure Merchant's payment and performance obligations to 3FSI under the Merchant Cash Advance Agreement between Merchant and SFSI (the "Metchant Agreement"), Metchant hereby grants to 3FSI a security interest in all personal property of Merchant, including all accounts, chattef paper, each, deposit accounts, documents, equipment, general intengibles, instruments, inventory, or investment property, as those terms are defined in Anticle 9 of the Uniform Commercial Code of the State of Now York as amended (the "IECA"), whether now or humafter owned or acquired by Merchant and wherever located; said all proceeds of such property, as that term is defined in Article 9 of the UCC (collectively, the "Collateral").

Cross-Collectural. To secure Guaranter's payment and performance obligations to SFS1 under this Merchant Security Agreement and Guarantey (this "Agreement"), each Guaranter hereby grants SPS1 a security interest is _______(the "Additional Collectural"). Each Guaranter agrees and acknowledges that SFS1 will have a security interest in the aforesaid Additional Collectural upon execution of this Agreement.

Each of Merchant and each Guaranter agrees to execute any documents or take any action in connection with this Agreement as SFSI decres necessary to parfect or maintain SFSI's first priority security interest in the Collateral and Additional Collateral, including the execution of any control agreements. Each of Merchant and each Guaranter hereby authorizes SFSI to file any functing statements decreased necessary by SFSI to parfect or maintain SFSI's security interest, which financing statements may contain notification that Merchant and each Guaranter hand for the Collateral and Additional Collateral, and that any subsequent lender or licenor may be torthough interfering with SFSI's rights. Merchant and each Guaranter shall be jointly and severally liable for and shall pay to SFSI upon demand all costs and expenses, including but not limited to accorneys' fees, which may be incourted by SFSI in protecting, preserving and antoroing SFSI's security interest and rights.

Nogative Pledge. Each of Merchant and each Quaranter agrees not to create, incur, assume, or permit to exist, directly or indirectly, any additional each advances, loans, lien or office encumbrance on or with respect to any of the Collaboral or Additional Collatoral, as applicable without written permission of SFSI.

Consect to Enter Promises and Assica Lenc. SFSI shall have the right to turn Merchant's default in the payment of rent for the Premises on the following terms. In the event Merchant is served with papers in an action against Merchant for nonpayment of rent or for summary eviction, SFSI may execute its rights and remedies under the Assignment of Lence. Merchant sign agrees that SFSI may enter into an agreement with Merchant's landlord giving SFSI the right: (e) to enter the Premises and to take parsession of the fixtures and equipment therein for the purpose of protecting and preserving same; and (b) to assign Merchant's lease to another qualified merchant opening a business comparable to Merchant's at the Premises.

Remedies. Upon any Event of Default, SFSI may pursue any remedy available at law (including those available under the provisions of the UCC) or in equity to collect, enforce, or satisfy any obligations then owing to SFSI, whother by acceleration or otherwise.

GUARANTY

Performance Guaranty. Each undersigned Guaranter ("Quaranter") hereby unconditionally guarantees to SSSI the payment and performance by Merchant of all of its obligations under this Agreement and the Merchant Agreement, as each agreement may be renewed, amended, extended or otherwise modified from time to time (the "Guaranteed Obligations"). Guarantee shall be liable for and SSSI may charge and collect all costs and expenses, including but not limited to uttorneys' fices, which may be incurred by SSSI in connection with the collection of any or all of the Guaranteed Obligations from Guarantee or the anforcement of this Agreement.

Gustanting Walvers. In the event that Merchant fails to make a psyment when due or otherwise perform under the Merchant Agreement, SFSI may enforce its rights under this Agreement without first seeking to obtain payment from Merchant, any other gustantion, or any Collatoral or Additional Collatoral SPSI may hold pursuant to this Agreement or any other gustanty.

SFSI does not have to notify Guarantee of the following events and Charantee will not be released from any of its abligations under this Agreement if it is not notified of: (i) Merchant's failure to pay through any amount owed under the Merchant Agreement; (ii) any marcrial or adverse change in Merchant's financial condition of any colluteral searing the Guaranteed Obligations, including without limitation the Collateral or Additional Collateral, or any other guarantee of the Guaranteed Obligations; (iv) SFSI's acceptance of this Agreement; (i) any releval, extension or other modification of the Merchant Agreement or Merchant's other obligations to SFSI. In addition, SFSI may take any of the following actions without releasing Guarantee from any of its obligations under this Agreement: (i) release, impair, wrive or otherwise modify the Merchant Agreement or Merchant's other obligations to SFSI; (ii) release may collateral securing the Guaranteed Obligations or any other guarantee of the Guaranteed Obligations; and (iv) foreclose on any collateral securing the Guaranteed Obligations or any other guarantees of the Guaranteed Obligations; and Additional Collateral, in a manner that imposits or procludes the right of Guarantee to obtain relimbatisement for payment under this Agreement. Until the Parchased Amount and Merchant's other obligations to SFSI ander the Merchant Agreement and the Agreement from particular that it may have against Merchant, any other guarantee, or any enthance of the Guarantee of the Outer this Agreement (iv) indemnities of the guaranteer (iv) indemnities and other guaranteer (iv) indemnities of the guaranteer (iv) indemnities of any other guaranteer for any amounts period by it, under this Agreement (iv) indemnities of the guaranteer (iv) indemnities of the guaranteer of the Outer terms may amount period by Merchant or any other guaranteer of the Outer terms may amount period by Merchant or any other guaranteer of the Outer that it include that amount. Guaranteer agrees that its obligation

Snarhotor Acknowledgement. Guneratur schnowledges that: (i) he/she understands the seriousness of the provisions of this Agreement and that any misrepresentation may constitute fraud; (ii) he/she has had a full opportunity to consult with counsel of his/her choice; and (iii) he/she has consulted with counsel of his/her choice or has decided not to avail himsel/ductself of that opportunity.

Juint and Several Linbility. The obligations hereunder of each Guarantur are joint and several,

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THE TERMS, DEFINITIONS, CONDITIONS AND INFORMATION SET FORTH IN THE "MERCHANT CASH ADVANCE AGREEMENT", INCLUDING THE "MERCHANT CASH ADVANCE AGREEMENT", INCLUDING THE AGREEMENT. CAPITALIZED TERMS NOT DEFINED IN THIS AGREEMENT SHALL HAVE THE MEANINGS SET FORTH IN THE MERCHANT CASH ADVANCE AGREEMENT, INCLUDING THE MERCHANT CASH ADVANCE AGREEMENT TERMS AND CONDITIONS.

MERCHANT#1 By Carla Rossine	Carla Kossans	Sign Here
(Print Name and Title) SS# (FIELDO31)	(Signature) Drivers Liconac Nymber: [FTELD032]	31Ku Here
MERCHANT #2 By Authony Rossens Jr.	all of	Sign Here
(Print Name and Title) SS# (FIRI.10034)	(Signature) Drivers License Number: [FIELD035]	ONER TIME
DYNEHOLDARANTORALY IN KOSKIM PROSEDI	* Carla Rosano	Sign Here
(Print Name and Title)	(Signature) Drivers License Number: (MUL) 1938)	Jaga Hare
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Exhibit B

CT Lien Solu P.O. Box 290 Glendale, CA	NS (front and b) FACT AT FILER (option 331-3282 Falent TO: (Name and tions) 71 91209-9071	ack) CAREFULLY [202] 20385 STRA 20385 STRA 313565 NJNJ		13	593	-9
19. ORGANIZATION'S N b2 Salon, LLC		insert only <u>one debtor name (1</u>	a or 1b) - do not abbreviate or combine n	ames		
1b. INDIVIDUAL'S LAST	NAME	i	FIRST NAME	MIDDLE	NAME	SUFFIX
MAILING ADDRESS 77 South Broad Stree	-		City Philadelphia	STATE PA	POSTAL CODE 19147	COUNTRY
SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	19. TYPE OF ORGANIZATION	16 JURISDICTION OF ORGANIZATION PA		GANIZATIONAL ID #, If an	
24 ORGANIZATIONS N b2 Salon 25. INDIVIDUAL'S LAST			FIRST NAME	MIDOLI	NAME	SUFFIX
MAILING ADDRESS 77 South Broad Stree 1 SEE INSTRUCTIONS	ADD'L INFO RE	2e. TYPE OF ORGANIZATION	Philadelphia	PA	19147	USA
	ORGANIZATION DEBTOR	DBA	PA			NONE
3a. ORGANIZATIONS N Strategic Funding	AME	TOTAL ASSIGNEE OF ASSIGN	OR S/P) - Insert only one secured party r	name (3a or 3b)		
3b, INDIVIDUAL'S LAST	NAME		FIRST NAME	MIDOL	ENAME	SUFFIX
MAILING ADDRESS 501 Broadway, Sui	e 360		New York	STATE	10036	COUNTRY
ther forms of obligation all of Grantor's rich npaid vendor or lienor ith all customer lists, ereafter created, relat cquired for sale or lea upplies, goods, Incide which may contribute to there for Grantor's ac upplies, apparatus, as ereafter owned by the Equipment"); General	eivable, contracts at any time of the with respect to including rights pooks and reconing thereto (collective) the finished point (collective) plances, tools, Grantor or in with the plances in with the plances in the plances in the plance of the plances of t	its. real property leases, nowing to the Grantor arising to any goods represented to of stoppage in transit and ds. ledger and account caractively referred to hereinaft es goods, raw materials, we plies, packaging materials aduct or to the sale, promo ransit or in the constructively referred to hereinafter as fittings, furniture, furnishing hich Grantor may have or rhich the Grantor now has	otes, bills, acceptances, chooses in out of goods sold or leased or for shereby, whether or not delivered, q of recovering possession by proceeds, computer tapes, software, disk fiter as "Receivables"): Inventory, in ork in process and finished mercha and any and all items used or consition and shipment thereof, in which e, actual or exclusive occupancy or in "Inventory"): Goods, including with gs, fixtures and articles of tangible in may hereafter acquire any Interest, or hereafter acquires any rights, inclose, trademark registr.	services rend oods returned edings includes, printouts an chicken printouts and chicken finding urned in the commend in the control of the co	ared by Grantor, the I by customers and ing replevin and records, whether but limitation, all good so or component man operation of the busion at any time here of Grantor or is held in, all machinery, equenty of eyery description (collectively refer t limited to, causes	a proceeds thereof all rights as an slamation, together now in existence of dos manufactured of terials, and all iness of Grantor or after may have an by Grantor or by uipment, parts, prion now or red to hereinafter a of action, corporate

ACKNOWLEDGMENT COPY - NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

6. This FINANCING STATEMENT is to be filed (for record) (or record)

B. OPTIONAL FILER REFERENCE DATA

Prepared by CT Lien Solutions, P.O. Box 29071

All Debtors

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Contract# 87751

Sales Partner: Capital Solutions

/ John Aitkons

MERCHANT CASH ADVANCE AGREEMENT

Agroomont dated	January (Month)	11 (Day)	2012 between S (Year)	trategie Fundia;	g Source Inc. (" <u>SF</u>	\underline{SI}^n) und the merchant	listed below ("tho Merchant").
	(min(nt)	(Dig)	(rea)	MERCHANTI	NFORMATION		
Merchant's Logal I	Vaine: <u>b2 Su</u> l	on LIC					
D/B/A: <u>b2 Sulon</u> (I	See Harbor)			S t	ate of incorporation	n/organization: NJ	
Type of entity: ()	Corporation	(X)Lim	ited Liability Compa	my()Limited 1	Partnership () Liu	nited Liability Partners	hip () Sole Proprietor
Physical Address:				City: Sowell		State: NJ	Zip: 08021
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as SPSI receives pure agreement during the	specified balo yment in full o term of this	w (thic " <u>Si</u> of the Pu contract	<u>pacified Perconfage")</u> c reliased Amount Furt Notwithstanding anyth	f Merchant's scale armara Marchent ina to the commo	ment amounts due fr will not enter into a t in this Augustant	our each eard inner with nother each advance age or one other agreement b	person") to camit to or for the benefit of respect to the Receipts, until such time earnest or any other type of factoring between SFSI and Merchant, upon the
occurence of an Ew equal 100%. Purchase Price: SI	ent of Deficit	under See	MOHAM WILLO E NOW	ANT CASH ADV. SPEERTOGE: <u>20</u> %	ance agreemen	T TERMS AND CONDI	TIONS, the Specified Percentuge shall
CONDITIONS", T	TO, ARE III	IANT SI	ONS AND INFORM ECURITY AGREEM NCORPORATED IN	ENT AND CHA	RANTY" AND THE	e "administrativ. Rement.	NCE AGREEMENT TERMS AND E FORM" EACH OF WHICH IS Sign Here
MERCHANT #2 By Carla Rossana	(Print Name (Print Nume	(0)X	ino Presiden	t <u> </u>	Manager (Signal)	KO Sance	Sign Here
OWNER/GUARAN By Antaguy Roskano OWNER/GUARAN	(Kudi brans)	Nove fla	cerus Dad	er	(Signif	The same of	Sign Here
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STRATEGIC PUNI	HNG SOURC	IL INC.		A	_		
Ву	(Strategic Yur	ding Sou	rec, Inc. Officer)	Associate Nativ	Signati	ura) .	Appallusionimus.

Each person signing this Agreement on behalf of Morchant represents that he or she is authorized to sign this Agreement on behalf of Merchant, and each person signing this Agreement on behalf of Merchant and/or as Owner/Guaranter represents that the information provided herein and it all of SFSI's forms is true, accurate and complete in all respects. SFSI may produce a monthly statement reflecting the delivery of the Specified Percentage of Receipts from Merchant to Si'SI via Processor.

ANY MISREPRESENTATION MADE BY MERCHANT OR ANY OWNER/GUARANTOR IN CONVECTION WITH THIS AGREEMENT MAY CONSTITUTE A SEPARATE CAUSE OF ACTION FOR FRAUD OR INTENTIONAL MISREPRESENTATION.

MERCHANT CASH ADVANCE AGREEMENT TERMS AND CONDITIONS

L TERMS OF ENROLLMENT IN PROGRAM

1.1 Merchant Cash Advance Agreement. These terms and conditions shall be incorporated in and made in part of the altached Merchant Cash Advance Agreement, as supplemented by these terms and conditions, this "Agreement").

1.2 Merchant Processing Agreement, Merchant shall execute an agreement (the "Merchant Processing Agreement") acceptable to SPSI, with a card procussor acceptable to Sl'St, to obtain eard processing services. Morehant shall authorize Processor to deduct the amounts owed to SFSI for the Receipts as specified herein from settlement amounts which would otherwise he due to Morchant from Processor card transactions and to pay such amounts to SPSI pursuant to SPSI's instructions to Processor. The authorization shall be irrevocable without the written consent of SFSi. Processor may rely upon the instructions of SFSI, without any independent verification, in making such deductions and paymons, and Merchant waives any cisins for damages it may have against Processor in connection with such acre unless such damages were due to Processor's failure to follow SFSI's instructions. 1.3 Paretuso Price Reduction. SFSI may, in its sole discretion, reduce the Purchase Price if one or more eard processing conditions are not satisfied.

1.4 Bridge / Control Account. Merchant may be required to open a new bank account into which 100% of the sattlement amounts will be deposited and the Specified Percentage collected by SPSI (the "Bridge / Council Account"). Merchant appoints SFSI as "Arting Agent" over the Bridge / Control Account, and shall instruct Processor to designate the Bridge / Control Account, and shall instruct Processor to designate the Bridge / Control Account assumes all responsibility for all fees, costs, charge-backs or suspicious items processed through the Bridge / Control Account (see "Minestinnous Service Pets" paragraph 3.7). Merchant agrees to maintain a minimum balance in the Bridge / Control Account (the "Minimum Bulance") equal to the per-month average of all fees charged to Merchant by Processor, averaged over a six-month ported.

1.5 Figureial Condition, Merchant and nach Owner/Guarantor authorize SFSI, its agouts and representatives, and any credit reporting agency engaged by SPSI, to investigate their preditional lines. financial responsibility and history, and they agree to provide SFSI any financial statements, tax returns, references, or other credit or financial information as SFSI deams necessary prior to or after execution of this Agreement. A photocopy of this authorization will be deemed as acceptable for roles as of credit and financial information. Merchant and each Owner/Gouranter authorize SPSI to update their credit and financial profile from time to sime in the fabure, as SFSI doons appropriate. An investigative or consumer report may be mede or obtained in connection with this Agreement, 1.6 Transactional Mistory. Merchant authorizes Processor and each of Merchant's banks to provide SPSI upon request with Merchant's card history or bank sheemonts, as applicable.

1.7 Indomnification. Merchant and cach Owner/Guaranter jointly and severally indomaity and should harmless Processor, its officers, directors and shundholders against all lossos, throughest, claims, liabilities and expenses (including reasonable attorney's fees) incurred by Processor resulting from (a) claims assorted by IFSI for moniest owed to SPSI from Merchant and (b) selious taken by Processor in reliance upon information or instructions provided by SFSI.

1.8 No. Liability. In no event will Processor or SFSI be liable for any claims asserted by Merchant under

suy legal theory for lost mofits, lost revenues, lost business opportunities, exemplary, punitive, special, incidental, indirect or consequential damages, each of which is waived by Merchant and cach Owner/Chamator.

1.9 Reliauce on Terms. Socients 1.2, 1.7, 1.8, 2.5, and 4.6 hereof are agreed to for the benefit of Mecchant, SFSI and Processor, and notwithstanding the fact that Processor is not a party to this Agreement, Processor may rely upon their terms and caste them as a defense in any notion.

1.10 Sale of Receipts. Merchant and SPSI intend that the transfer of the interest in the Receipts from Merchant to SPSI constitute it sale, and not a loan, for all purposes. Merchant agrees that the Paroliage Price equals the fair market value of such interest 1f, notwithstanding such intent, such transfer is not decimed to constitute a rate, Merciaini hereby grants to SPSI a security interest in all right, title and interest of Merchant in and to the Receipts, which security interest shall seeme the payment of the Proclassel Amount and all other obligations of Merchant under this Agreement in no event shall the aggregate of all amounts decined interest hereunder and charged or collected hereunder exceed the highest cate permissible at law. In the event that a court determines that SPSI has charged or received interest herepseler in excess of the highest applicable rate, the rate in effect herounder shall itemedically be reduced to the muximum rate permitted by applicable law and SPSI shall promptly rofund to Merchant any interest received by SPSI in excess of the maximum lawful rate, it being intended that Merchant not pay or contract to pay, and that SFSI not receive or contract to receive, directly or indirectly In any manner whatsoever, interest in excess of that which may be pold by Marchant under applicable law. Merchant hereby authorizes SFSI to file may financing statements deemed necessary by SFSI to perfect or mainiain SFSI's interest in the Receipts.

1.11 Purer of Attornov. Merchant irrevocably appoints SFSI and any useignee of SFSI as its agent and altorney-in-fluct with that authority to take any nation or execute any instrument or dominant to settle all obligations due to SFSI from Processor, or upon the occurrence of an Ryant of Dafault under Section 3.1 hereof, to seltie all obligations due to SFSI from Merchant, under this Agreement, including without limitation (i) to obtain and adjust insurance; (ii) to collect monles due or to become this under or in respect of any of the Collateral (as defined in the Merchant Security Agreement and Guaranty); (iii) to receive, endorse and collect any checks, notes, drafts, instruments, documents or chaltel paper in connection with almuso (i) or clause (ii) above; (iv) to sign Merchant's name un my invoice, bill of lading, or antigrament directing curtomers or account delviors to make payment directly to SPSI; and (v) to file any claims or take any nation or institute any proceeding which SI'SI may down noscessory for the collection of any unpaid Purchased Amount from the Collateral, or otherwise to enforce its rights with respect to payment of the Purchased Amount.

1.12 Protection of Information. Merchant and each person signing this Agreement on behalf of Marchant and/or as Owner/Guarantor, in respect of himself or herself personally, authorizes SPS to dischose to any third pany information concerning Merchant's and each Owner's/Guarantor's credit standing (including credit human reports that SPSI obtains) and butiness conduct. Merchant and cach Owner/Guarantor hereby walve to the maximum extent permitted by law any claim for damages ugalast SPSI or any of fix affiliates relating to any (i) investigation undertaken by or on habalf of SPSI is permitted by this Agranman or (ii)

disclosure of information as permitted by this

1.13 Confidentiality, Iderchant understands and agrees that the terms and conditions of the products and services offered by SPSI, including this Agreement, the Merchant Security Agreement and Guaranty and any other documents executed in connection with such agreements or related to such agreements (collectively, "Confidential Information") are proprietory and conditional Information of SPSI. Accordingly, unless disclosure is required by lew or court order, Morchant shall not disclose Confidential Information to any person other than an attorney, accountant, financial advisor or employed of Merchant who needs to know such information for the purpose of advising Merchant ("Advisor"), provided such Advisor 1988 such information solely for the purpose of advising Merchant and first agrees in writing to not disclose Confidential Information to any person in accordance with the terms of this Section 1.13.

1.14 Publicity, Merchant and each Owner/Guarantor authoriza SPSI to use their respective names in a listing of clients and in advertising and marketing materials.

1.15 DIBIA'S. Marchant and each Owner/Guarantor

1.15 MISSA'S. Marchant and each Overer/Guarantor bereby ocknowledge and agree that SPSI may be using "doing business as" or "d/bu" rames in connection with various matters relating to the transaction between SFSI and Merchant, including the filling of UCC-1 financing subtements and other notices or fillings.

1.16 Chancial information. Merchant and each Owner/Churantor shall provide to SFS1 upon request copies of financial statements representing the timencial condition of Merchant and/or such Owner/Churactor.

II. REPRESENTATIONS, WARRANTIES AND COVENANTS

Merchant and each Owner/Guaranter each represents, warrants and covernants that as of the date of this Agreement and on each date during the term of this Agreement:

2.1 Financial Condition and Financial Information. Its financial statements, copies of which have been furnished to SFSI, and any financial statements furnished to SFSI beconfac, fairly represent the financial condition of Merohant and ach Chynor/Gurrantor at such dates, and since those dates there has been no material adverse change, financial or ownership of Merchant. Merchant has a continuing, affirmative obligation to advise SFSI of any material adverse change in its financial condition, operation or ownership in the state of th

2.2 Governmental Approvals. Merchant is and will remain in compliance with all laws and has valid pomits, authorizations and licenses to own, operate and to conduct the business in which it is presently appropriate.

which it is presently ongaged.

2.3 Anthorization. Mirchant, and the person(s) signing this Agreement on bahalf of Merchant, have full power and authority to execute this Agreement and to incur and perform the obligations under this Agreement, all of which have been duly authorized.

2.4 <u>Insurance.</u> Merchant has and will maintain husiness-interruption insurance manning SPSI as loss payee and additional insured in such amounts and against such risks as are satisfactory to SFSI and shall provide SFSI proof of such insurance upon request.

2.3 Merchant Processing Agreement and Arrangements. Without SFSI's prior vorticen consent, Merchant will not: (i) change the card processor through which the Recoipts are actiled from Processor to another eard processor; (ii) permit any event to occur that could cause diversion of any of Merchant's card transactions from Processor to another provessor; (iii) change its arrangements with Processor or amend the

Merchant Processing Agreement in any way that is adverse to RPSI; (iv) add eard processing terminals; (v) use multiple card processing terminals; (vi) change its financial institution or bank account(c) (including, if applicable, the Bridge / Control Account); (vii) take any other action that could have any adverse effect spon Murchart's obligations under this Agrantient or SFSI's interest in the Recotpts; or (vill) take any notion, fail to take any action, or offer my incentive-economic or otherwise—the result of which could be to discourage the use of eards that are settled through Processor, or to induce any customers to pay for Merchant's services with any means other than cords tint are settled through Processor, or pecnil any coors to occur that could have un adverse effect on the use. acceptance, or authorization of cords for the perchase of Marchant's services and products.

2.6 Change of Name or Location. Merchant will not conduct its businesses under any name other than as disclosed to Processor and SFSI or change any of its places of business

2.7 Daily Hatch Out. Membaut will hatch out receipts with Processor on a daily books.

2.8 Batomiel Certificate. Merchant will at any time. and from time to time, upon at least one (1) day's prior notice from SPSI to Marchani, execute, acintowledge and deliver to SFSI and/or to any other person, firm or corporation specified by SFSI, a statement certifying that this Agreement is unmodified and in full force and effect (or, if there have been modifications, that the

same is in full force and effect as modified and stating the modifications) and stating the dates on which the Purchased August or any portion thereof has been

2.9 No Bunkroptev. Neither Merchant nor any

Dwner/Guarantor has filed any polition for bankauptry protection under Title 11 of the United States Code, no involuntary petition for bankruptey has been brought or is pending against Merchant or any Owner/Quarantor, neither Merchant nur noy Owner/Guantulor hus admitted in writing its inability to pay its debts or made a general exsignment for the bonofit of creditors, and no other proceeding has been instituted by or against Merchant or any Owner/Gonzantor seeking to adjudicate it insolvent or sacking accognitization, arrangement, adjustment or composition of it or its debts. Merchant does not anticipate Illing any such bankraptcy petition and is not aware and has no reason to believe that may ruck bould uptcy position or other proceeding will be tited or brought against it or my Owner/Guaranter,

2.10 Other Financing, Merchant shall not enter into any orthogement, agreement or commisment that relates to or involves Roceipts, whether in the farm of a purchase (such as a marchant cush advance) of, a loan against, or the sale or purchase of credits against, any Rescipts, casa doposits or future card or mobile payatent siles with any party other than SF31 without

its written permission.

2.11 Uneummbored Recoints, Merchant has good and murketable little to all Recoipts, free and clear of any and all liabilities, liens, claims, changes, restrictions, conditions, options, rights, mortgages, socurity interests, equities, pludges and encumbrances of any kind or nature whosenover or any other rights or interests that may be inconsistent with the transactions contemplated with, or adverse to the interests of, SF\$1. 2.12 Business Purpase. Merchant is a valid business in good standing under the laws of the jurisdictions in which it is organized and/or operates, and Merchant is entering into this Agreement for husiness purposes and not as a consumer for personal, family or household

2.13 Default Inder Other Contracts, Merchant's execution of or performance under this Agreement will not cause or create any breach or default by Morehunt under any contract with another person or entity.

2.14 Delivery of Confession of Judgment. Upon execution at this Agreement, Marghant shall, if requested by SFSI, deliver to SFSI on executed Confession of Judgmont (the "Confession of Audinment"), in the form provided by SFSL in liver of SFSI in the amount of the Purchased Amount.

2.15 Delivery of Assignment of Lease. Merchant and cach Owner/Ouerantor authorize SFSI to receive perlinent influention regarding the communist lease for the physical location(s) of Morchant's business (the "Premises") from any applicable leasing company and or agent. Marchant may be asked to deliver to \$731 an executed Assignment of Leave assigning all of Menchant's right, title and interest in and to the Premises and tauler the lease for the Premises to SPSI

(the "Assignment of Lone"). 2.16 Sale of Business. Merchant shoil not sell. dispose, nansfer or utherwise convey its husiness or assets without (i) the express prior writers consent of SFSI, and (ii) the written agreement of any purchasar or transferce assuming all of Merchant's obligations pixler this Agreement pursuant to documentation satisfactory to SFSI.

2.17 Bridge / Control Account, If Morchant is required to open a Bridge / Control Account. (i)
Montheast will not, unless otherwise directed in writing by SPSI, take any action to cause the Specified Percentage of the satisfaces amounts to be seitled or delivered to any account other than the Bridge / Control Account and (ii) Murchant will at all times maintain the Minimum Dalarce in the Bridge / Centrol Account.

2.18 Use of Proceeds. Membant will conduct its business and use the Furchese Price in the ordinary course of its business, construent with past practice.

2.19 Accuracy of Information. All information provided by Merchant and cach Owner/Guaranter to SPSI herein, in the Mcrehant Security Agreement and Guaranty, and in all other documents executed in connection with such agreements or related to such agreements is true, accurate and complete in all

III. EVENTS OF DRPAULT AND REMEDIES

3.1 Bycais of Default. The occurrence of any of the following events shall constitute an "Event of Default" harmunder: (a) Morohant or any Owner/Generation violates any term, coversuit or condition in this Agreement, the Merchant Security Agreement and Guaranty or any other agreement with SFSI; (b) any representation or warranty by Marchard or any Owner/Guarantor in this Agreement, the Merchant Security Agreement and Gueranty or any other agreement with SPSI shall prove to have been incorrect, incomplete, false or misteading in any meterial respect when made; (c) Merchant or any Owner/Guarantor admits in writing its insbility to pay its debts, or makes a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against Merchant or any Owner/Guaranter sacking to adjudicate it bankrupt or insolvent, or socking ceurganization, 30/Ansensent. adjustment. composition of it or its debts; (d) any Owner/Guamator sends a notice of termination of the Merchant Security Agreement and Guaranty; (c) Merchant suspends, dissolves or terminates its business. (1) Merchant solls all or substantially all of its assets; (ij) Microtiant makes ra sendo notica of any intended bulk sale or transfer by Merchanii; (h) Merchant performs any net that incumbers the eash flow of the business placing undie stress on the vinbility of the operations and radices the value of the Collectal or the security interest granted in the Collectual under the Merchant Security Agreement and Charanty; (i) any Owner/Guarantor performs any net that reduces the value of the Additional Collecters (as defined in the Merchant Security Agreement and Quaranty) or the socialty

interest granted in the Additional Collateral under the Merchant Security Agreement and Community, or (i) Merchant or any Owner/Guarantor illos any polition for bankruptcy under the United States code or an involuntary petition for bunkruptcy has been brought or is pending against Merchant or any Owner/Gustaulor; (k)Merchant or any Owner/Quaranter defaults under any of the terms, covenants and conditions of any other agraement with SFSI including those with affiliated / associated businesses.

32 Remedies, Upon the occurrence of an Rveil of Default that is not waived pursuant to Section 4.4 hereof, SFS1 may proceed to protect and enforce its rights or remedice by suit in equity or by action at law, or both, whether for the specific performence of any coverant, agreement or other provision contained barein, or to enforce the performance of Manchaut's and each Owner's/Gustantor's obligations bereutder, under the Merchant Scourity Agreement and Gueranty, or pursuant to any other logal or equitable right or councily. Upon SFSI's notice to Merchant of any Event of Definit, the entire Receipts Purchased Amount and impaid foca not already paid in SPSI shall become immediately due and payable to SFSL In addition, upon an Event of Default (f) SFSI may enforce the provisions of the Marchant Security Agraculant and Channely against each Owner/Quarantor; (ii) SFSI may enforce its security interest in the Colleteral and Additional Culluteral; (iii) SFSI may debit Morolant's deposit accounts wherever situated by means of ACH debit or focumile signature on a computer-generated shock drawn on Merchant's bank account or otherwise; (iv) SFSI cony ower the Confession of Judgment as a judgment with the appropriate Clerk of Court and execute thereon; and (v) SFSI may exercise its rights under the Amignment of Lease. All rights, powers and remedies of SFSI in connection with this Agreement and the Marshaut Security Agreement and Community may be exercised at any time by SFS1 after the occurrence of an Event of Default, are outsolative and not exclusive, and shall be in addition to any other nights, powers or remedies provided by law or equity.

3.3 Costs. Merchant and each Owner/Guaranter shall pay to SPSI all costs reasonably insurred by SPSI in connection with (a) any livent of Default [neluding without limitation any breach by Merchant or any Owner/Gustantar of the representations, warranties and covenants in this Agreement or the Merchant Security Agreement and Guaranty, and (b) the enforcement of SFSI's remedies set forth in Section 3.2 hereof. including but not limited to court costs and attorneys

3.4 Required Nutilications. Merchant and each Owner/Cuaranter shall give SPS1 written notice within 24 hours of any Illing by Merchant or any Owner/Cusesator under Title 11 of the United States Code or of the occurrence of any other event described in Section 3.1(c) hereof. Morchant shall give SESI seven days' written notice prior to the Moruhnot's assets or clock. Murchant shall give SVSI seven days, written notice beloe to the 3.5 Default Fee. Upon the Occurrence of any Event of Default, and written notice to Merchant thereof, Merchant shall puy to SPSI a default fee ("Default Fee") of \$2,500. This Default Fee shall be payable on demand and stand in addition to my other fees or ponulties outlined within this Agreement, the Merchant Scourity Agreement or Gustanly.

3.6 Processor Change Pee, Morchant shall pay a processor change fee (the "Processor Change Fee") to SFSI in the amount of \$5,000.00 in the event that Morehant (i) uses multiple cord processing terminals without the prior written consent of SFSI, (ii) changes its card processor without the prior writton consent of SFSI or (iii) directs Processor to deliver settlement

amounts to any account other than the Bridge / Control Account (if Merchant is required to apen a Bridge / Control Account) Such Processor Change Fee (i) shall be due and payable to SESI on denland, (ii) is not exclusive of, and is cumulative with, any other fee or amount paid or payable to SFSI by Merchant pursuant to this Agreement or the Merchant Security Agreement and Guaranty; and (iii) shall not be construed as a waiver of any Event of Default bereinder or under the Merchant Security Agreement and Guaranty or as otherwise openting to reduce or limit SFSI's rights or concides provided for heremoler, under the Merchant Security Agreement and Guaranty or in law or in

3.7 Miscellancous Service Free. Marchant shall pay cortain fees for services related to the origination and mulnionance of accounts which may include but not be limited to: Merchant finding is done electronically to their designated bank account and charged a too of \$30.00 for a Fod Wire or \$12.50 for an ACH. The fee for underwriting and origination is \$295.00 paid from the funded amount. If Merchant is utilizing a Bridge / Control Account, there is an upfront fee of \$395.00 for the bank fees and administrative costs of maintaining such account for oach cush advance agreement with Merchant. Fund transfers from Bridge / Coatrol Accounts to Merchant's operating bank account will be charged \$7,50 per month via ACH. Merchant will be charged \$35,00 for each change of its operating bank necesual once active with SFSI. Any administrative adjustments associated with changes to the Specified Percentage will incur a fac of \$30.00 per occurance.

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IV. MISCELLANEOUS

4.1 Modifications; Agrouments. No modification, amendment, or waiver of any provision of, or consent to any action under, this Agreement or the Morchant Security Agreement and Gustanty shall be effective unless the same is in writing and signed by SFSL

4.2 Assignment, SPSI may usuge its rights and/or obligations under this Agreement und/or the Morehant Security Agreement and Churanty in whole or in part without prior notice to Merchant or any Owner/Guantutor, including, without limitation, its right to receive all or any portion of the Purchased Amount and its obligation to find all or any portion of the Purchase Price. Merchant acknowledges that, if any such assignment is made, paramis other than SFSI may have the right to exercise rights or remarkles against Merchant pursuant to this Agreement. Merchant shall not have, and no Owner/Quaranter shall have, the right to ussign its rights under obligations under this Agreement and/or the Merchant Security Agreement and Guaranty or any interest herein or therein without the prior written consent of SFSI, which consent may be withheld in SFSI's sole discretion.

4.3 All notices, requests, consent, demands and other communications hereunder and under the Merchant Security Agreement and Guaranty shall be delivered by ordinary mail, effective upon mailing, to the respective parties to this Agreement and the Merchant Security Agreement and Guaranty at the addresses set forth in this Agreement and shall become effective only upon receipt. The Parties hereto may also send such notices, requests, consent, demands and other communications via facsimile ("FAX") or electronic mail ("Email") at such FAX numbers and email addresses communicated by the parties beceto in writing,

4.4 Walver Remedies. No failure on the part of SPSI to exercising, and no delay in exercising, any right under this Agreement or the Merchant Security Agreement and Guaranty shall operate as a waiver thereof, nor shall mry single or partial exercise of any right under this 4.8 Agreement or the Morchant Security Agreement and Cumminty proclude any other or further exercise thereof or the exercise of any other right. The remedies provided horeunder and under the Morchant Security Agreement and Gunnary are containing and not exclusive of any ramedies provided by law or equity.

4.5 Solicitations. Merchant and each Owner/Guaranter authorize SFSI and its affiliates to consummicate with, sohoit and for nurket to Merchant and each Owner/Gueranter via regular mail, telephone, small and facuratio in connection with the provision of goods or services by SPS1, its ultilictor of any third party that SPSI shams, transfers, exchanges, discloses or provides information with and will hold SFSI, its affiliates and such third parties harmless against any and all claims pursuant to the federal CAN-SPAM ACT of 2003 (Controlling the Assault of Non-Solicited Permagraphy and Markeling Act of 2003), the Telephone Consumer Protection Acl (TCPA), and any said all other state or federal laws rolating to nausmissions or solicitations by and any of the methods described above.

4.6 Terminated Merchant File and Match File. Merchant asprossly asknowledges that a Terminated Merchant Pile ("TMF"), or any successor thereto, is maintained by MasterCard or VISA containing the business name and names and identification of principals of marchants which have been terminated for une or more of the reasons specified in MusterCard or VISA operating regulations. Such reasons include, but are not limited to, fraud, counterfelt drafts, unnuthorized transactions, excessive charge-backs and retrieval requests, money laundaring, or where a high security tisk exists. MERCHANT ACKNOWLEDGES THAT PROCESSOR AND SEST ARE REQUIRED TO REPORT THE BUSINESS NAME OV MERCHANT AND THE NAMES AND IDENTIFICATION OF ITS PRINCIPALS TO THE TMF WHEN A MERCHANT IS TERMINATED FOR ONE OR MORE OF THE REASONS SPECIFIED IN MASTERCARD OR VISA OPERATING REGULATIONS. MERCHANT EXPRESSLY AGREES AND CONSUMTS TO SUCH REPORTING BY PROCESSOR AND SYST AND RELEASES EACH FROM ANY DAMAGES FOR DUING SO IN GOOD PATELL

4.7 Bluding Effect: Governing Law, Venue and Security Agreement and the Merchant Security Agreement and Guncauty shall be binding upon and inure to the benefit of Merchant, each Owner/Guarantor, 3FSI and their respective successors and assigns. This Agreement and the Murchant Scaurity Agreement and Charanty shall be governed by and consumed in accordance with the laws of the State of Now York, without regard to any applicable conflicts of law principles. Any suit, sotion or proceeding mixing becounder or under the Merchant Security Agreement and Guaranty, or the interpretation, performance or broach hereof or thereof, shall, if SPSI so elects, he instituted in any court sitting in New York, New York. (the "Acceptable Forum") Each of Merchant and each Owner/Quarentor agrees that any state or federal court sitting in the Aucoptable Ponum is convenient to it, hereby icroveoubly and inconditionally submits to the personal jurisdiction of any such court and heroby whives any and all objections to jurisdiction or venue. Luck of Merchant and each Owner/Gumanter agrees that it line) judgment in any such suit, action or proceeding brought in any such court shall be conclusive and hinding upon such party and may be enforced in any other courts to whose jurisdiction such party is or may be subject, by sail upon such judgetent. Should such suit, action or proceeding be initiated in my other forum, Merchant and each Owner/Ourrenter waive any right to oppose any motion or application made by SFSI to transfer such suit, action or proceeding to the Acceptable Ponun,

Survival of Representation, sentations, warranties and communa hardin and in the Merchant Security Agreement and Contenty shall survive the execution and delivery of this Agreement and the Merchant Security Agreement and Guaranty exollegitin the titan earth that in auritmos thate but untler this Agreement and the Merchant Security Agreement and Gueranty shall have been satisfied in full and this Agraement and the Merchant Security Appreciant and Guaranty shall have terminated,

4.9 Severability. In case any of the provisions in this Agreement or the Merchant Security Agreement and Charmety is found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of any other provision contained herein or therein shall not in any way he affected or impaired.

4.10 Entire Agreement. Any provision become of the

Merchant Sceurity Agraement and Guaranty prohibited by law shall be ineffective only to the extent of such prohibition without invalidating the remaining provisions hereof or thereof. This Agreement and the Merchant Security Agreement and Guarenty ambody the cotice agreement between Morchant, each Owner/Guarantor and SVSI and supersade all prior agreements and understandings relating to the subject metter beroof.

MARIO BERGOI.

4.11 <u>AURY TRIAL WAIVER</u> THE PARTIES HERETO WAIVE TRIAL BY JURY IN ANY COURT IN ANY SUIT, ACTION OF PROCEEDING ON ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THUS AGREEMENT OR THE MERCHANT SECURITY AGREEMENT AND GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY OR THE ENPORECEMENT DEREOF OR THERROR. THE PARTIES THERETO ACKNOWLEDGE THAT EACH MAKES THIS WAIVER KNUWINGLY, WILLINGLY, VOLUNTARITY AND WITHOUT DURESS, AND ONLY AFTER EXTENSIVE CONSIDERATION OF TRE RAMIFICATIONS OF THIS WAIVER WITH ITS ATTORNEYS.

4.12 CLASS ACTION WAIVER. THE PARTIES HERETO WAIVE ANY RIGHT TO ASSERT ANY CLAIMS AGAINST ANY OTHER PARTY AS A REPRESENTATIVE OR MEMBER IN ANY CLASS OR REPRESENTATIVE ACTION, EXCEPT WHERE SUCH WAIVER IS PRORUBITED BY LAW. TO THE EXTENT ANY PARTY IS PERMITTED BY LAW OR COURT OF LAW TO PROCRED WITH A CLASS OR REPRESENTATIVE ACTION AGAINST REPRESENTATIVE ACTION AGAINST ANOTHER PARTY, THE PARTIES HERETO AGREE THAT: (I) THE PREVAILING PARTY SHALL NOT BE ENTITLED TO RECOVER ATTORNEYS DOES OR COSTS ASSOCIATED TUTIW PURSUING THE CLASS OR ACTION REPRESENTATIVE (NOTWITESTANDING ANY OTHER PROVISION IN THIS AGREEMENT OR THE MERCHANT SECURITY AGREEMENT AND COARANTY); AND (2) THE PARTY WHO INITIATES OR PARTICIPATES AS A MEMBER OF THE CLASS WILL NOT SUBMIT A CLAIM OR OTHERWISE PARTICIPATE IN ANY RECOVERY SECURBU THROUGH THE CLASS OR REPRESENTATIVE ACTION.

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4.13 Counterparts: Facsimile and FDF Acceptance.

This Agreement and the Merchant Sacurity Agreement and Gusranty may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one instrument. Signatures on this Agreement and the Merchant Security Agreement and Gusranty sont by facsimile or PDF will be treated as original signatures for all purposes.

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STRATEGIC FUNDING SOURCE, INC - MERCHANT SECURITY AGREEMENT AND GUARANTY

Merchant's Legal Name: b2 Salon, LLC

D/B/A; b2 Salon (Egg Harbox)

Physical Address: 201 Egg Harbor Road

City: Sewell

State: N.I

Zip; <u>08021</u>

Federal IDH Reducted

SECURITY AGREEMENT

Security Interest. To seeme Marchaet's payment and performance obligations to SFSI under the Merchant Cresh Advance Agreement between Merchant and SFSI (the "Marchant Agreement"), Merchant hereby stants to SFSI a security interest in all personal property of Morchant, including all accounts, chattel paper, cash, deposit accounts, documents, aquipment, general intengibles, instruments, inventory, or investment property, as those terms are defined in Article 9 of the Uniform Commercial as that term is defined in Article 9 of the UCC (collectively, the "Collectively").

Cross-Collectual. To secure Guaranter's payment and performance obligations to SFSI under this Merchant Security Agreement and Guaranty (this "Agreement"), each Guaranter hereby grants SFSI a security interest in Lexes. Inc (d/b/a Bernard's Salon & Sua (Cherry Hill), Bernard's of Marting LLC (d/b/a Bernard's Salon & Spa (Muriton)), b2 Salon, LLC (d/b/a b2 Salon (South Broad)), b2 Salon, LLC (d/b/a b2 Salon (Guaranter)), Linch Guaranter and acknowledges that SFSI will have a security interest in the aforesaid Additional Collectual upon execution of this Agreement.

Each of Merchant and each Quaranter agrees to axocore any documents or take any action in connection with this Agreement as SPSI document reconstry to perfect or maintain SPSI's first priority accurring interest in the Collatoral and Additional Collatoral, including the execution of any control agreements. Each of Merchant and each Quaranter hereby authorizes SPSI to file any financing statements documed necessary by these to perfect or maintain SPSI's security interest, which financing statements may contain notification that Merchant and each Quaranter have contained or items may be territoristy interfering with SPSI's rights. Merchant and each Quaranter shall be jointly and severally liable for and shall pay to SPSI upon demand all costs and expenses, including but not limited to utterneys' fees, which may be incurred by SPSI in protecting, preserving and anforcing SPSI's security interest and rights.

Negative Pledge. Read of Merchant and each Guarantor agrees not to create, mour, assume, or permit to exist, directly or indirectly, any additional cash advances, loans, lien or other ensumbanics on or with respect to say of the Collaboral or Additional Collaboral, as applicable without written permission of SPSI.

Consequence Enter Promises and Assign Lene. SPSI shall have the right to cure Merchant's default in the payment of rest for the Premises on the following terms. In the event Merchant is served with papers in an action against Merchant for nongayment of rent or for summary eviction, SFSI may exceed its rights and remedies under the Assignment of Lense. Merchant also agrees that SFSI may enter into an agreement with Merchant's landlord giving SFSI the right: (a) to enter the Premises and to take possession of the fixtures and equipment therein for the purpose of protecting and preserving same; and (b) to assign Merchant's lense to mother qualified merchant's near the Premises.

Bamedias. Upon any Event of Default, SESI may pursue any remedy available at law (including those available under the provisions of the UCC) or in equity to collect, enforce, or satisfy any obligations then owing to SPSI, whether by acceleration or otherwise.

GUARANTY

Performance Guaranty. Each undersigned Guaranter ("(Infranter") hereby unconditionally subspaces to SFSI the payment and performance by Merchant of all of its obligations under this Agreement and the Merchant Agreement, as each agreement may be renewed, amended, extended or otherwise modified from time to time (the "Guaranteed Obligations"). Guarantee shall be liable for any SFSI may charge and collect all costs and expenses, including but not limited to attorneys' fees, which may be incurred by SFSI in connection with the collection of any or all of the Guaranteed Obligations from Guarantee or the enforcement of this Agreement.

Guaranter Walvers. In the event that Marchant falls to make a payment when due or otherwise perform under the Merchant Agreement, SFSI may enforce its rights under this Agreement without first seeking to obtain payment from Merchant, any other guaranter, or any Collateral or Additional Collateral St may hold pursuant to this Agreement or any other guaranty.

SFSI dues not have to notify Quaranter of any of the following events and Quaranter will not be released from any of its obligations under this Agreement if it is not notified of (i) Merchant's fulture to pay timely any amount owed under the Merchant Agreement; (ii) any material or advarsa change in Merchant's finuncial condition or business operations, (iii) any sale or other disposition of any collateral securing the Guaranteed Obligations, including without limitation the Collateral or Additional Collateral, or any other guarantee of the Guaranteed Obligations (iv) SPSI's acceptance of this Agreement; or (v) any renewal, activation or other modification of the Merchant agreement or Merchant's other obligations to SPSI. In addition, SPSI may take any of the following actions without releasing Quarantee from its obligations under this Agreement; (i) concerned or otherwise fail to realize upon any collateral securing the Quaranteed Obligations or spy other guarantee of the Guaranteed Obligations in SPSI; (ii) release therefore the Guaranteed Obligations or spy other guarantee of the Guaranteed Obligations or precludes the right of Guarantee of the Guaranteed Obligations, including without limitation the Collateral of Obligations of the Guarantee of Obligations of SPSI indeed the International Collateral provided by Merchant or may other guaranter for say amounts poid by it under this Agreement. Guarantee for payment under this Agreement from the obligations under the spirit of Guaranteed Obligations of the Guaranteed Oblig

Guaranter Acknowledgement. Guaranter acknowledges that: (i) he/she woderstands the seriousness of the provisions of this Agreement and that any misrepresentation may constitute fraud; (ii) he/she has had a full diportunity to consult with counsel of his/her choice and (iii) he/she has consulted with counsel of his/her choice or has decided not to small himself/herself of that apportunity.

Joint and Several Liability. The obligations hereunder of each Guaranter are joint and several

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THE TERMS, DEFINITIONS, CONDITIONS AND INFORMATION SET FORTH IN THE "MERCHANT CASH ADVANCE AGREEMENT", INCLUDING TIRE "MERCHANT CASH ADVANCE AGREEMENT TERMS AND CONDITIONS", ARE HERRBY INCURPORATED IN AND MADE A PART OF THIS AGREEMENT, CAPITALIZED TRIMS NOT DEFINED IN THIS AGREEMENT SHALL HAVE THE MEANINGS SET FORTH IN THE MERCHANT CASH ADVANCE AGREEMENT TERMS AND CONDITIONS

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OVNER/GUARANTOR #1 Dy Anthony Rasidio Je.	Call of	Ci YY
(Print Nume and Title)	Drivers Vicense Number: Ded	Sign Here
OWNER/GUARANTOR AT By Chris Rossano	Drivers Ricense Number: Redachd	81 - 87
934 Nederland (Print Numo and Title)	(Signature) Drivers Liconse Number:	Sign Hore

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Exhibit D

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4. Description of real estate: 6. Name and address of a RECORD OWNER.	of above-described neal estate):	FURTHER ENCUI THE FURTHER E THE TORTIOUS I RIGHT BY SUCH ENTITY IS GRAN ACCOUNTS, CHA CONTRARY TO 7 CLAIM TO ANY P	MBER THE COLLANCUMBERING OF NTERFERENCE VENCUMBRANCEF TED A SECURITY OF THE ABOVE, Trustee scting with respect and check galy one box.	ATERAL DESCRIBI WHICH MAY CON WITH THE SECURE R IN THE EVENT T INTEREST IN DEE GENERAL INTANG SECURED PARTY OF RECEIVED BY	ED HEREIN. ISTITUTE ISTITUTE PARTY'S HAT ANY STOR'S GIBLES ASSERTS A SUCH ENTITY.
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Case 12-25751-GMB Doc 33-2 Filed 08/21/12 Entered 08/21/12 17:38:40 Desc <u>Exhibits Page 25 of 60</u>

Exhibit E



Contract# 87761
Sales Partner: Capital Solutions
/ John Aitkens

MERCHANT CASH ADVANCE AGREEMENT

Agreement dated	(Month)	11 (Day)	7 <u>012</u> (Year)		• • • • • • • • • • • • • • • • • • • •) and the merchant	Hated below ("the Merchant").
Merchant's Legal 1	Venoe: <u>b2 Sa</u>	lon LLC		¥			
D/B/A: b2 Salon (I	laddonfie)d)	ł		Sta	ate of Incorporation/o	rganization: NJ	
Type of entity: ()	Corporation	(X)Lin	nited Linb	oility Company () Limited F	'erincialije () Limite	d Liability Partners	ship () Sole Proprietor
Physical Address:	26 Haddoni	field Ros	<u>d</u>	City: Cherry	<u>Fiill</u>	State: NJ	Zip: <u>08</u> 002
Mailing Address:				City:	,	State:	Zip:
Date business start	ed (mm/yy):	02/11		Pederal ID#	Rentacted	low parameter	NAMES OF THE STATE
Monthly Total Sale	98			Monthly Card Sales	1-0(1117)	Monthly Cash St	NAMADA PER
				PURCHASE AND SALE OF			
Price, the Specified are not satisfied. The Purchased Arno SPSI the percentage as SPSI receives passessent during the source of the second of the second se	Percentage (a mint shall be pi specified bel syment in full se term of thi	s defined to sid to SPS ow (the "S of the P s contract	I by Merci inecified P ineciased A	or the Purchased Amount may be nant's irreveably untherizing on Geography") of Marchint's social Amount. Purthermore Merchark Moding psyching to the contrary	to one part processor as will not enter into and y in this Agreement or	Merchant in writing it appropriate to SYSI ("Yest card issues with ther cash advence agony other agreement	hand to SFSI, provided that the Purchase one or more card processing conditions pocasion. To result to or for the benefit of prespect to the Receipts, until such time recursor or any other type of factoring between SFSI and Merchant, upon the ITIONS, the Specified Percentage shall
Purchase Price: 51	8.000.81			Specified Percentage: 20 %		Receipts Purchasod	Amount: \$23,382,00
CONDITIONS", "	(Priot Name	e and Title	PROURITE INCORPORT	Y AGREEMENT AND GUA DRATED IN AND MADE A FA	RANTY" AND THE	ADMINISTRATION OF THE PROPERTY	Sign Here Sign Here Sign Here
By	~ 43 52 535 747 T		2	Associate Nac	ne .		
<i></i>	(Strategic ti	unding So	urre, Inc. ((Si gnetur	c)	,

Each person signing this Agreement on behalf of Merchant represents that he or she is authorized to sign this Agreement on behalf of Merchant and/or as Owner/Quaranter represents that the information provided herein and in all of SESI's forms is true, accurate and complete in all respects. SESI may produce a monthly statement reflecting the delivery of the Specified Percentage of Receipts from Merchant to SESI via Processor.

ANY MISREPRESENTATION MADE BY MERCHANT OR ANY OWNER/GUARANTOK IN CONNECTION WITH THIS AGREEMENT MAY CONSTITUTE A SEPARATE CAUSE OF ACTION FOR FRAUD OR INTENTIONAL MISREPRESENTATION.

MERCHANT CASH ADVANCE AGREEMENT TERMS AND CONDITIONS

L TERMS OF ENROLLMENT IN PROGRAM

1.1 Merchant Cash Advance Agreement. These terms and conditions shall be incorporated in and made a part of the attached Merchant Cash Advance Agreement (such Merchant Cash Advance Agreement, as supplemented by these terms and conditions, this "Agreement").

1.2 Murchant Processing Agreement. Morehant shall execute an agreement (the "Morthant Processing Agreement") acceptable to SFSI, with a card processor acceptable to SFSI, to obtain card processing services. Merchant shall nuthorize Processor to deduct the amounts owed to SFSI for the Receipts as specified heroin from settlement amounts which would otherwise he due to Merchant from Processor card transactions and to pay such amounts to SFSI pursuant to SFSI's justractions to Processor. The authorization shall be inevocable without the written consent of SPSI. Processor may rely upon the instructions of SPSI, without may independent verification, in making such deductions and payments, and Merchant waives any claims for damages it may have against Processor in connection with such acts unless such damages were due to Processor's follow on follow SFSI's instructions, 1.3 Purchase Price Reduction. SFSI may, in its sole discretion, reduce the Purchase Price if one of more card processing conditions are not entieffed,

1.4 Bridge / Control Account, Marchail may be required to open a new bank account into which 100% of the scattement emounts will be deposited and the Specified Percentage collected by SFSI (the "Bridge / Control Account"). Merchant appoints SES1 as "Acting Agent" over the Bridge / Control Account, and shall instruct Processor to designate the Bridge / Control Account as the deposit account for all of Merchant's customers' card transactions. Merchant assures all responsibility for all foes, casts, charge-backs or suspicious items processed through the Bridge / Control Account (see "Miscellancouns Service Peet" paragraph 3.7). Merchant agrees to maintain a minimum balance in the Bridge / Control Account (the "Minimum Balance") equal to the per-month average of all fees charged to Merchant by Processor, averaged over a six-month period.

1.5 Innucial Condition, Merchant and each Owner/Guarantor authorize SFSI, its agents and representatives, and any credit reporting agency engaged by SFSI, to investigate their creditworthiness, financial responsibility and history, and they agree to provide SESI any financial statements, tax returns, references, or other credit or financial information as SPSI deems nucesuary prior to or after execution of this Agreement. A photocopy of this authorization will be desmed as acceptable for release of credit and financial information. Merchant and each Owner/Guaranter authorize SFSI to update their credit and financial profile from time to time in the finare, as SYS1 doesns appropriate. An investigative or consumer report may he made or obtained in connection with this Agreement, 1,6 Transactional Flatney, Merchant authorizes Processor and each of Merchant's banks to provide SFSI upon request with Merchant's card history or bank statements, as applicable.

1.7 <u>Indomnification</u>, Merchant and cach Owner/Guarantor jointly and severally indomnity and hold harmless Processor, its officers, directors and absorbhiders against all losses, damages, claims, tiabilities and expenses (including reasonable attorney's feas) incurred by Processor resulting from (a) claims assured by SPSI for montes owned to SPSI from Morchant and (b) notions taken by Processor in schance upon information or instructions provided by SPSI.

1.8 No Limbility. In no event will Processor or SPSI ha liable for any claims asserted by Merchant under

any legal theory for tost profits, lost revenues, lost highlass opportunities, exampliary, punitive, special, incidental, indirect or consequential damages, each of which is waived by Merchant and each Owner/Guarantor.

1.9 Reliance on Terms. Sections 1.2, 1.7, 1.8, 2.5, and 4.6 hereof are agreed to for the henefit of Merchant. SFSI and Processor, and notoxitistanding the fact that Processor is not a party to this Agreement, Processor may rely upon their forms and raise them as a defense in any author.

1.10 Sale of Receipts. Merchant and SPSI intend that the transfer of the interest in the Receipts from Merchant to SFSI constitute a sale, and not a loan, for all purposes. Merchant agrees that the Prachase Price equals the fair market value of such interest, if notwithstanding such intent, such transfor is not deemed to constitute a sale, Merchant hereby grants to SPSI a socurity interest in all right, title and interest of Merchant in and to the Ruceipts, which security interest shall secure the payment of the Purchased Amount and all other obligations of Merchant under this Agreement, in no event shall the aggregate of \$11 amounts decorded interest hereunder and charged or collected hereunder exceed the highest rate permissible of law. In the event that a court determines that SYSI has charged or received interest hereunder in excess of the highest upplicable rate, the rate in effect horounder shall uniomatically he reduced to the maximum rate permitted by applicable law and SFSI shall promptly refund to Merchant any interest received by SFSI in excess of the maximum lawful rate, it being intended that Merchant not pay or contract to pay, and that SFSI not receive or contract to receive, directly or indirectly in any manuer whatsuover, interest in excess of that Which may be paid by Morchant under applicable have Merchant hereby authorizes SPSI to file any financing statements deemed necessary by SFSI to perfect or maintain SPSI's interest in the Recoipts.

1.11 Power of Attorney. Merchant trevocably appoints SFSI and may assigned of SPSI as its agent and allorney-in-fact with full authority to take any action or execute any instrument or document to settle all obligations due to SPSI from Processor, or upon the occurrence of an Event of Default under Section 3.1 hereof, to soltle all obligations due to SFSt from Merchant, under this Agreement, including without limitation (1) to obtain and adjust insurance; (ii) to collect monies due or to become due under or in respect of any of the Collatoral (as defined in the Morahant Security Agreement and Guaranty); (III) to teceive, endorse and collect any checks, notes, drafts, instruments, documents or chattel paper in connection with clause (i) or clause (ii) above; (iv) to sign Merchant's name on any invoice, bill of lading, or assignment directing customers or account debtors to make payment directly to SFSI; and (v) to file any olalins or take any action or institute any proceeding which SFSI may deem necessary for the enlication of any uposid Purchased Amount from the Colleteral, or otherwise to enforce its rights with respect to payment of the Purchased Amount.

1.12 <u>Protection of Information.</u> Merchant and each person signing this Agreement on behalf of Merchant and/or as Owner/Governtor, in respect of himself or herself personally, authorizes SFSI to disclose to any third party information concerning Morchant's and each Owner/s/Governtor's credit standing (including credit bureau reports that SFSI obtains) and business conduct. Merchant and each Owner/Guarantor hereby waive to the maximum extent permitted by law any claim for damages against SFSI or any of its atfiliates relating to any (i) investigation undertaken by or on behalf of SFSI as permitted by this Agreement or (ii)

disclosure of information us permitted by this Aureument.

1.13 Confidentiality. Merchant understands and agrees that the terms and conditions of the products and services offered by SFSI, including this Agreement, the Merchant Scourity Agreement and Guaranty and any other documents executed in connection with such agreements or related to such agreements (collectively, "Confidential information") are proprietory and confidential information of SFSI. Accordingly, unless disclosure is required by law or court order, Morehaus shall not disclose Confidential Information to any person other than an attorney, accountant, financial advisor or employee of Merchant who needs to know such information for the purpose of advising Marchant ("Advisor"), provided such Advisor uses such information solely for the purpose of advising Merchant and first agrees in writing to not disclose Confidential Information to any person in accordance with the terms of this Section 1.13.

1.14 <u>Publicity.</u> Merchant and each Owner/Guaranter authorize SPSI to use their respective names in a listing of clients and in advertising and marketing materials.

1.15 Intervent and each Owner/Ownantor hereby acknowledge and series that SI'SI may be using "doing business as" or "A'D'A" terms in connection with various matters relating to the frameution between SI'SI and Marchaut, including the litting of UCC-I firmoring statements and other notices or filings.

1.16 Piannelul Information, Morchant and each Owner/Guarantor shall provide to SPSI upon request copies of flannelal statements representing the financial condition of Merchant and/or such Owner/Guarantor.

II. REPRESENTATIONS, WARRANTIES AND COVENANTS

Merchant and each Owner/Ourmintor each represents, warrants and covenants that as of the date of this Agreement and on each date during the term of this Agreement.

2.1 Financial Condition and Pinancial Information. Its financial statements, copies of which have been furnished to SFSI, and any financial statement furnished to SFSI, and any financial statement furnished to SFSI hereafter, fluity represent the financial condition of Merchant and cach Owner/Quaratior at such dates, and since those dates there has been no material adverse change, financial or otherwise, in such condition or in the operation or ownership of Marchant, Merchant has a continuing alfirmative obligation to advise SFSI of any material adverse change in its financial condition, operation or ownership.

2.2 Governmental Approvals. Merchant is and will remain in consolitance with all laws and has valid permits, sufficient and licensus to own, operate and lease its proporties and to conduct the business in which it is presently engaged.

2.3 Authorization. Merchant, and the person(s) signing this Agrammon on behalf of Merchant, have full power and surforing to excente this Agraement and to incur and perform the abligations sucker this Agraement, all of which have been duly authorized.

2.4 Insurance. Marchant has and will maintain business-interruption insurance nating SPSI as less payer and additional insured in such amounts and against such risks as are satisfactory to SFSI and shall provide SFSI proof of such insurance upon request.

2.5 Merchant Processive Agricultural and Arrangements. Without SFSI's prior written consent, Merchant will not: (i) thunge the eard processor to another card processor; (ii) permit any event to account that could cause diversion of any of Morchant's card (manactions from Processor to another processor; (iii) chaoge its urningements with Processor or aniend the

Merchant Processing Agreement in any way that is adverse to SFSI; (iv) add card processing terminals; (v) use multiple card processing terminals, (vi) change its Amuncial institution or bank account(s) (including, if applicable, the Bridge / Control Account); (vii) take any other action that could have any adverse effect upon Merchant's obligations under this Agraement or SPSI's interest in the Recaipts; or (viii) take my setion, fail to take any action or offer any incentivoeconomic or otherwise—the result of which could be to discourage the use of cards that are settled through Processor, or to induce any customers to pay for Merchant's services with any means other than cards that are settled through Processor, or permit my event to occur that could have an adverse effect on the use. acceptance, or authorization of cards for the purchase of Merchant's services and products.

2.6 Change of Name or Location. Murchant will not conduct its businesses under any name other than as disclosed to Processor and SPSI or change any of its places of business.

places of business. 2.7 <u>Dully Hatch Out</u> Merchant will batch out receipts with Processor on a daily busis.

2.8 Estound Carifficate. Merchant will at any time, and from time to time, upon at less one (1) day's prior notice from SPSI to Merchant, execute, acknowledge and deliver to SPSI and/or to day other person, firm or corporation specified by SPSI, a statement certifying that this Agreement is unundified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modifications and stating the modifications) and stating the dates on which the Purchased Amount or any portion thereof has been maid.

pind.

2.9 No Hankengtey. Neither Merchant nor any Owner/Guaranter has filed any petition for bankruptey protection under Title 11 of the United States Code, no involuntary petition for bankruptey has been brought or is pending against Merchant or any Owner/Guaranter has admitted in writing its inability to pay its debts or made a general assignment for the benefit of creditors, and no other proceeding has been instituted by or against Merchant or any Owner/Guaranter seeking to adjudicate it insolvent or seeking corganization, orthogeneent, adjustment of composition of it or its debts. Merchant does not amicipate filing any such bankruptcy petition and is not aware and has no reason to believe that any such bankruptcy petition or other proceeding will be tiled or brought against it or any Owner/Guarantor.

2.10 Office Phosphing, Merchant shall not entar into any arrangement, agreement or commitment that relates to or involves Receipts, whether in the farm of a purchase (such as a merchant cash advance) of, a loan against, or the sale or purchase of credits against, any Receipts, cash deposits or finture cord or mobile payment sales with any party other than SFSI without its written parnission.

2.11 <u>Unoncumbered Receipts</u>, Merchant has good and marketable title to all Receipts, free and elear of any and all liabilities, liens, cloims, changes, restrictions, conditions, options, rights, mortgages, security interests, equities, pladgae and encumbrances of any titled or nature whotsoever or any other rights or interests that may be inconsistent with the transactions contemplated with, or adverse to the interests of, SFSI.

2.12 <u>Business Purpage</u>, Merchand is a valid business in good standing undur the laws of the jurisdictions in

in good standing under the laws of the jurisdictions in which it is organized and/or operates, and Merchant is cutaring into this Agreement for business purposes and not as a consumer for personal, family or household purposes.

2.13 Default Under Other Contracts, Merchant's execution of or performance under this Agreement will not exuse or create any breach or default by Merchant under any contract with another person or earlity.

2.14 <u>Pelivery of Confession of Indensett.</u> Upon execution of this Agreement, Merchant shall, if requested by SFSI, deliver to SFSI an executed Confession of Judgment (the "Confession of Judgment"), in the form provided by SFSI, in favor of SFSI in the amount of the Purchased Amount.

2.15 Dolivery of Assignment of Lance. Merchant and each Owner/Guszanter authorize SFSI to receive perthent information regarding the commercial lease for the physical location(x) of Merchant's business (the "Proutlegs") from any applicable leasing company and or agent. Merchant way be asked to deliver to SFSI in executed. Assignment of Lease nestigning all of Merchant's right, fille and interest in and to the Premises and under the lease for the Pramises to SFSI (the "Assignment of Lease.").

2.16 Sule of Business. Merchant shall not sell dispose transfer or alberwise convey its business or assets without (i) the express prior written content of SFSI, and (ii) the written agreement of any purchaser or transferee assuming all of Metchant's obligations under this Agreement pursuant to documentation satisfactory to SFSI.

2.17 Pridge / Control Account. If Merchant is required to open a Bridge / Control Account, (1) Morehant will not, unless otherwise directed in writing by Si'Sl, take any action to cause the Specified Percentage of the settlement amounts to be settled or delivered to any account other than the Bridge / Control Account and (ii) Merchant will at all times maintain the Minimum Balance in the Bridge / Control Account

2.18 Use of Proceeds. Merchant will conduct its business and use the Purchase Price in the ordinary course of its business, consistent with past practice.

2.19 <u>Accuracy of Information.</u> All information provided by Merchant and cach Compar@unrantor to SFSI herein, in the Merchant Socurity Agreement and Charanty, and in all other documents executed in connection with such agreements or related to such agreements is true, accounted and complete in all

M. Events of defailt and remedles

3.1 Events of Default. The occurrence of any of the following events shall constitute an "Event of Definal" horounder: (a) Merchant or my Owner/Chiarontor violates any term, covenant or condition in this Agreement, the Merchant Security Agreement and Guaranty or any other agreement with SFSI; (b) any representation or warranty by Merchant or any Owner/Guarantor in this Agreement, the Merchant Security Agreement and Guaranty or any other agreement with SFSI shall prove to have been incorrect, incomplete, false or misleading in any motorial respect when made; (c) Merchant or any Owner/Guaranter admits in writing its inability to pay its debts, or makes a general assignment for the bonefit of creditors; or any proceeding shall be instituted by or against Merchant or any Owner/Guarantor seeking to adjudicate it lankupt or insolvent, or seeking reorganization, arrangement, adjustment, composition of it or its debis, (d) any Owner/Guarantor sands a notice of termination of the Merchant Security Agreement and Community; (a) Morchant suspends, dissolves of terminates its business; (f) Merchant sells all or substantially all of its assats; (g) Morchant makes or sends notice of any intended bulk sale or unasfer by Merchant; (h) Merchant performs any act that incumbers the cash flow of the business placing undus stress on the viability of the operations and reduces the value of the Collateral or the society interest granted in the Collateral under the Merchant Security Agrocinent and Guaranty: (I) any Owner/Guarantor performs any act that reduces the value of the Additional Collateral (as defined in the Merchant Security Agreement and Guaranty) or the security

interest granted in the Additional Collateral under the Merchant Security Agreement and Guaranty; or (j) Merohant or my Owner/Guarantor files may potition for healtrapicy under the United States code or an involuntary potition for banktupicy has been brought or is pending against Merchant or any Owner/Guarantor (R)Merchant or my Owner/Guarantor defaults under any of the terms, covenants and conditions of any other agreement with SFSI including those with affiliated / associated hunipsess.

3.2 Remedies. Upon the occurrence of an Event of Default that is not waived pursuant to Section 4.4 hereof, SFSI may proceed to protect and enforce its rights or remedies by suit in equity or by action at law, or both, whether for the specific performance of any covenant, agreement or other provision contained hercia, or to enforce the performance of Merchant's and each Owner's/Guaranter's obligations hereunder, under the Metchant Security Agreement and Guaranty, or pursuous to any other legal or equitable right or remedy. Upon SPSI's notice to Merchant of any Event of Default, the entire Receipts Porchased Amount and unpaid fees not already paid to SFSI shall become immediately due and payable to SPSL in addition, upon an Event of Default (i) SFSI may enforce the provisions of the Morchant Scourity Agreement and Outstally against each Ownst/Guarantor; (ii) SFSI may onforce its security interest in the Collateral and Additional Collateral; (fii) SFSI may dobit Merchant's deposit accounts wherever situated by means of ACH debit or licerimite signatura on a computer-generated check drawn on Merchant's bank account or otherwise; (iv) SFSI may enter the Confession of Judgment as a judgment with the appropriate Clerk of Court and execute therent; and (v) SFSI may execute its rights under the Assignment of Loaze. All rights, powers and temadies of SFS1 in connection with this Agreement and the Merchant Security Agreement and Guaranty may be exercised at my time by SFSI after the nocurrence of an Event of Default, are consulative and not exclusive, and shall be in addition to any other rights, powers or comodies provided by law or equity.

3.3 Costs, Morchant and each Owner/Guarantor shall pay to SFSI all costs reasonably incurred by SFSI in connection with (a) any levent of Default including without limitation any breach by Morchant or any Owner/Guarantor of the Impresentations, without Security Agreement and Guaranty, and (b) the enforcement of SFSI's remedies set forth in Section 3.2 hereof, including but not limited to court costs and attoracys'

See Security of State of the Account of the Superson, dissolution of the Security of Security Based on the Sec

Security Agreement or Guaranty.

3.6 Processor Change Ree. Marolism shall pay a processor change fee (the "Processor Change Fee") to SFSI in the amount of \$5,000.00 in the event that Merchant (i) uses outlipte eard processing terminals willout the prior written consent of \$FSI, (ii) changes its eard processor without the prior written consent of \$FSI or (iii) directs Processor to deliver settlement

amounts to any account other than the Bridge / Control Account (if Merchant is required to open a Bridge / Control Account). Such Processor Change Fee (i) shall be due and payable to SPSI on demend, (ii) is not exclusive of, and is cumulative with, any other fee or emount paid or payable to SISI by Morchant pursuant to this Agreement or the Merchant Security Agreement and Guaranty; and (iii) shall not he construed as a waiver of any Event of Detault hereunder or under the Morehaut Security Agreement and Quaranty or as otherwise operating to reduce or timit SFSI's rights or remedies provided for hereunder, under the Merchant Security Agreement and Gossansy or at law or in

3.7 Miscollandous Survice Feet. Merchant shall pur certain feet for services related to the origination and maintenance of accounts which may include but not be limited to: Merchant funding is done electronically to their designated bank account and charged a fee of \$30.00 for a Fed Wire or \$12.50 for un ACH. The fee for underwriting and origination is \$295.00 paid from the funded amount. If Merchant is utilizing a Bridge / Control Account, there is an upfront for of \$395.00 for the bank fees and administrative posts of maintaining such account for each cash advance agreement with Merchant. Fund transfers from Bridge / Control Accounts to Merchant's operating bank account will be charged \$7.50 per month via ACH. Merchant will be charged 335.00 for cook change of its operating bank account once active with SFSI. Any administrative adjustments associated with changes to the Specified Percentage will incur a fee of \$50.00 per occurance.

INITIALS:

IV. MOSCELLANGOUS

4.2 Assignment. SPSI may assign its rights und/or obligations under this Agreement and/or the Merchant Socially Agreement and Guaranty in whole or in part without prior notice to Merchant or any Owner/Ouerantor, including without limitation, its right to receive all or any parties of the Furchesed Amount and its obligation to find all or any parties of the Purchase Price. Merchant acknowledges that, if any such assignment is made, persons other than SFSI may have the right to exercise rights or remedies against Merchant pursuant to this Agraement. Merchant shall not have, and no Owner/Guarantor shall have, the right to assign its rights and/or obligations under this Agreement and/or the Merchant Security Agreement and Guaranty or any interest herain or therein without the prior written consent of SPSI, which consent may be withheld in SPSI's sole discretion.

4.3 All nutlees, requests, consent, demands and other communications hereuseler and under the Merchant Security Agreement and Guaranty shall be delivered by ordinary mail, effective upon mailing, to the respective parties to this Agreement and the Merchant Security Agreement and Gumanty at the addresses set forth in this Agreement and shall become affective only upon receipt. The Parties hereto may also send such notices, requests, consent, demands and other communications via facsimile ("FAX") or electronic mail ("Email") er such FAX numbers and annall addresses communicated by the parties heroto in writing.

4.4 Waiver Remedier. No failure on the part of SPSI to exercise, and no delay in exercising, any right under this Agreement or the Merchant Security Agreement and Guaranty shall operate as a waiver thoract, nor shall to the Acceptable Forum.

any single or partial exercise of any right under this 4,8 Agreement or the Merchant Security Agreement and Gumanty preclude my other or further exercise thereof or the exercise of any other right. The remedies provided heremotier and under the Merchant Scourty Agreement and Guscarry are cumulative and not exclusive of any remedies provided by law or equity.

4.5 Solicitations. Merchant and each Owner/Charanter authorize SFSI and its affiliates to communicate with, solicit and for market to Morchant and each Owner/Guarantor via ragular mail, tolophone, email and facsimile in connection with the provision of goods or services by SPSI, its offiliates or my third party that SF81 shures, transfers, exchanges, discloses in provides information with and will bold SF\$1, its efficients and such third parties harmless ugainst any and all claims pursuant to the federal CAN-SPAM ACT of 2003 (Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003), the Telephone Communer Protection Act (TCPA), and any and all other state or federal laws relating to transmissions or solicitations by and any of the methods described above.

4.6 Terminated Merchaut File and Mutch File. Morchant expressly acknowledges that a Terminated Merchant File ("IMF"), or any successor thereto, is maintained by MasterCard or VISA containing the business nigne and maines and identification of principals of merchants which have been terminated for one of more of the reasons specified in MusterCard or VISA operating regulations. Such reasons include, but are not limited to, fraud, counterfeit drafts, unauthorized transactions, excessive charge-backs and regional requests money hundering, or where a high security
was existe. MORCHANT ACTINOTYLEDGES
THAT PROCESSOR AND SEST ARE REQUIRED TO REPORT THE BUSINESS NAME OF MERCHANT AND THE NAMES AND IDENTIFICATION OF ITS PRINCIPALS TO THE TMF WHEN A MURCHANT IS TERMINATED 4.1 Modifications: Agreement. No modification, NOR OR MORE OF THE REASONS unreadment, or waiver of any provision of, or consent to SPECIFIED IN MASTERCARD OR VISA any action under, this Agreement or the Metchant Security Agreement and Charmy shall be effective EXPRESSLY AGREES AND CONSENTS TO unless the same is in writing and signed by SPSI.

SUCH REPORTING BY PROCESSOR AND SPSI AND RELEASES EACH PROM ANY DAMAGES FOR DOING SO IN GOOD FAITH.

4.7 Binding Effects Governing Law, Venue and Jurisdiction. This Agreement and the Morchant Security Agreement and Guaranty shall be binding upon and inure to the benefit of Merchant, such Owner/Guuruntor, SPSI and their respective successors and assigns. This Agreement and the Merchant Scourty Agreement and Guaranty shall be governed by and construed in accordance with the laws of the State of New York, without regard to any applicable conflicts of law principles. Any suit, action or proceeding arising hercumiler or under the Moreltant Security Agreement and Gueranty, at the interpretation, porformance or brouch horoof or thereof, shall, if SFSI so clocks, be instituted in any court sitting in New York, New York, (the "Acceptable Forum"). Each of Merchant and each Owner/Guaramor agrees that may state or federal court sitting in the Acceptable Forum is convenient to it, hereby irrevocably and unconditionally submits to the personal jurisdiction of any such court and hereby waives any and all abjections to jurisdiction or venue. Each of Merchant and each Owner/Guarantor agrees that a final judgment in any such suit, action or proceeding brought in any such court shall be conclusive and binding upon such party and may be enforced in any other courts to whose jurisdiction such purly is or may he subject, by suit upon such judgment, Should such suit, action or proceeding be initiated in any other forom, Merchant and each Owner/Guaranter waive any right to oppuse any motion or application made by SFSI to transfer such suit, action or proceeding

d.R Servival of Representation, ste. All representations, warrantes and governments forcein and in the Merchant Socurity Agreement and Guacanty shall survive the execution and delivery of this Agraement and the Morchant Security Agreement and Quaranty and shall continue in full force until all obligations under this Agreement and the Merchant Security Agreement and Generally shall have been satisfied in full and this Agreement and the Merchant Security Agreement and Guivanty shall have terminated.

4.9 Severability, in case any of the provisions in this Agreement or the Microbant Seourity Agreement and Guaranty is found to be invalid, illegal or uncafercoable in any respect, the validity, legality and enforcentility of any other provision contained herein or therein shall not in any way be affected or impaired.

4.10 Rutire Agreement, Any provision harcot or of the Merchant Security Agreement and Constanty prohibited by law shall be institute only to the extent of such prohibition without invalidating the remaining provisions heranf or thereof. This Agreement and the Merchant Security Agreement and Guaranty embedy the entire agreement between Merchant, each Owner/Outrantor and SFSI and supersede all prior agreements and understandings relating to the subject

matter hereof, MATCH PRIOF,
4.11 YURY TRIAL WAIVER TIME PARTIES
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AND WITHOUT DURESS, AND ONLY AFTER
EXTENSIVE CONSIDERATION OF THE RAMMICATIONS OF THIS WAIVER WITH ITS ATTORNEYS.

4.12 CLASS ACTION WALVER. THE PARTIES HERETO WALVE ANY RIGHT TO ASSERT ANY CLAIMS AGAINST ANY OTHER PARTY AS A REPRESENTATIVE OR MEMBER IN ANY CLASS OR REPRESENTATIVE ACTION, EXCEPT WHERE SUCH WAIVER IS PROTECTED BY LAW. TO THE EXTENT ANY PARTY IS PERMITTED BY LAW OR COURT OF LAW TO PROCEED WITH A CLASS OR LAW TO PROCEED WITH A CLASS OF REPRESENTATIVE ACTION AGAINST ANOTIGER PARTY, THE PARTIES HEREIO AGREE THAT: (I) THE PREVAILING PARTY SHALL NOT BE ENTITLED TO RECOVER AGAINST ATTORNEYS' PEES OR COSTS ASSOCIATED WITH PURSUING THE CLASS ACTION REPRESENTATIVE (NOTWITHSTANDING ANY OTHER PROVISION IN TRUS ACROEMENT OR THE MERCHANT SECURITY AGREEMENT AND GUARANTY); AND (2) THE PARTY WHO INITIATES OR PARTICIPATES AS A MEMBER OF THE CLASS WILL NOT SUBMIT A CLAIM OR OTHERWISE PARTICIPATE IN ANY RECOVERY SECURED THROUGH THE CLASS OR REPRESENTATIVE ACTION.

INITIALS: AR

4.13 Counterparts: Facsimile and PDF Acceptance.

This Agreement and the Merchant Security Agreement and Guaranty may be executed in counterpasts, each of which shall constitute an original, but all of which together shall constitute one instrument. Signatures on this Agreement and the Marchant Security Agreement and Guaranty sent by facsimile or PDF will be treated as original signatures for all purposes.

INITIALS, AR.

STRATEGIC FUNDING SOURCE, INC. MERCHANT SECURITY AGREEMENT AND QUARANTY

Merchant's Legal Name: h2 Salon, LLC

D/B/A: b2 Salon (Haddonfield)

Physical Address: 226 Haddonfield Roud

City: Cherry [-11]

State: NI

Zip: <u>08002</u>

Federal W# Redailed

SECURITY AGREEMENT

Security Interest. To secure Merchant's payment and performance obligations to SPS1 under the Merchant Cash Advance Agreement between Merchant and SPS1 (the "Merchant Agreement)"). Merchant hereby grants to SPS1 u security interest in all personal property of Merchant, including all accounts, chaird paper, cash, deposit accounts, dequality and interestables, instruments, investment property, as those terms are defined in Article 9 of the Uniform Commoncial Code of the Sulte of New York as amended (the "UCC"), whether now or hereafter owned or acquired by Merchant and wherever located; and all proceeds of such property, as that term is defined in Article 9 of the UCC (collectively, the "Collateral").

Each of Merchant and each Charantor agrees to execute any documents or take any action in connection with this Agreement as SFSI deems necessary to perfect or maintain SFSI's first priority security interest in the Collatoral and Additional Collatoral, including the execution of any control agreements. Each of Morchant and each Guarantor hereby authorized SFSI to file any financing maternants deemed necessary by SFSI to perfect or maintain SFSI's security interest, which financing maternants may contain notification that Merchant and each Guarantor have grapted in negative piedge to SFSI with respect to the Collatoral and Additional Collatoral, and that any subsequent leader or licenor may be torifounly interfering with SFSI's rights. Merchant and each Guarantor shall be jointly and severally liable for and shall pay to SFSI upon demand all costs and expenses, including but not limited to attentives' fees, which may be incurred by SFSI in protecting, preserving and enforcing SFSI's accurity interest and rights.

Negative Pleilgy. Each of Merchant and each Quantutor agrees not to create, incur, assume, or permit to exist, directly or indirectly, any additional cash advances, leans, then or other encumbrance on or with respect to any of the Collageal or Additional Collateral, as applicable without written parasission of SFS1.

Consent to Roter Premises and Astice Lease. SI'SI shall have the right to cure Merchant's default in the payment of rent for the Premises on the following terms. In the event Metchant is served with papers in an action against Merchant for nonphyment of rent or for summary eviction, SI'SI may execute its rights and remedies under the Assignment of Lease. Interchant stop agrees that SI'SI may cuter into an agreement with Merchant's landlord giving SI'SI the right: (a) to enter the Premises and to take possession of the fixtures and equipment therein for the purpose of protecting and preserving same; and (b) to assign Merchant's lease to another qualified merchant capable of operating a business comparable to Merchant's at the Premises,

Remedies. Upon any Event of Default, SPSI may pursue any remedy available at law (including those available under the provisions of the UCC) or in equity to collect, enforces, or satisfy any obligations then owing to SFSI, whether by accoleration or otherwise.

GUARANTY

Performance Guaranty. Each undersigned Guaranter ("Quaranter") hereby unconditionally guarantees to SFSI the payment and performance by Marchant of all of the obligations under this Agreement and the Merchant Agreement, as each agreement may be recoved, amended, extended or otherwise modified from time to time (the "Quaranteed Obligations"). Guarantee shall be highly for and SFSI may charge and collect all costs and expenses, including but not limited to attorneys' fees, which may be incurred by SFSI in consection with the collection of any or all of the Guaranteed Obligations from Guarantee or the enforcement of this Agreement.

Guarantor Waivers. In the event that Morehant fails to make a payment when due or otherwise perform under the Merchant Agreement, SFSI may entered its rights under this Agreement without first zooking to obtain payment from Merchant, any other guarantor, or may Collateral or Additional Collateral SFSI may hold pursuant to this Agreement or any other guaranty.

SFSI does not have to notify Guarantor of any of the following events and Guarantor will not be released from any of its obligations under this Agreement If it is not notified of (i) Merchant's failure to pay Untelly any amount owed under the Merchant Agreement; (ii) any material or adverse change in Merchant's financial condition of business operations; (iii) any sole or other disposition of any collateral scouring the Guaranteed Obligations, including Without limitation the Collateral or Additional Collateral, or any other guarantee of the Guaranteed Obligations; (iv) SISI's according the Guaranteed Obligations in the modification of the Merchant Agreement or Merchant's other obligations to SISI. In addition, SISI may take any of the following actions without releasing Guarantor from any of its obligations subset this Agreement; (i) renew, extend or otherwise modify the Merchant Agreement or Merchant's other obligations to SISI; (ii) release Merchant from its obligations to SISI; (ii) release Merchant from the Guaranteed Obligations, meluding without limitation the Collateral of Cy) foreclose on any collateral securing the Guaranteed Obligations, including without limitation the Collateral of Additional Collateral, in a number that impairs or precludes the right of Guarantor to oblain reimbursement for payment taker his Agreement. Until the Purchased Amount and Mischant's other obligations to SISI under the Merchant Agreement and this Agreement are poid and performed in full. Guarantor shall not sock reimbursement from Merchant or any other guarantor for any amounts paid by it or acts performed by it, or acts performed by it, or acts performed by it, under this Agreement (i) subgogalion; (ii) reimbursement, (iii) performance; (iv) indominification; or (v

Guarantor Acknowledgement. Guaranter acknowledges that: (i) he/she understands the seriousness of the provisions of this Agreement and that any misrepresentation may constitute fraud; (ii) he/she has bad a full opportunity to consult with counsel of his/her choice; and (iii) he/she has consulted with counsel of his/her choice un has decided not to avail himself/herself of that opportunity.

Joint and Several Liability. The obligations herounder of each Guaranter are joint and several.

INITIAL: AL.

Page 6 of 7

Case 12-25751-GMB Doc 33-2 Filed 08/21/12 Entered 08/21/12 17:38:40 Desc Exhibits Page 32 of 60

THE TRIMS, DEFINITIONS, CUNDITIONS AND INFORMATION SET FORTION THE "MERCHANT CASH ADVANCE AGREEMENT", INCLUDING THE "MICRCHANT CASH ADVANCE AGREEMENT TERMS AND CONDITIONS", ARE HEREBY INCORPORATED IN AND MADIA A PART OF THIS AGREEMENT. CAPITALIZED TRIMS NOT DEFINED IN THIS AGREEMENT SHALL HAVE THE MEANINGS SET FORTH IN THE MICRCHANT CASH ADVANCE AGREEMENT TERMS AND CONDITIONS.

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MERCHANT 82 By Anthony Ressaue Jr. Ashay hossans To	Drivers License Number: [FIELD032]	
(Print Name und Table) SS# (FIBL D034)	Drivger Licouse Number: (1901,1908)	Sign Hore
OWNER/GUARANTOR #1 By [MKL0036]	Carla Ressance	Sign Here
(Print Name and Title) SS# (FELD037)	(Signatura) Drivers License Number: { <u>K1ELD038}</u>	
OWNER/GUARANTOR #2 By (PULL DG39) (Print theme and Tab)	(atto)	Sign Here
(Fine terms and Tyles)* 88# (PIELD040)	Diffuors Liconsof Number forth Mari	<u> </u>

Exhibit F

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FOLLOW INSTRUCTIONS (front and back) CAREFULLY A. NAME & PHONE OF CONTACT AT FILER (options) Phone: (800) 331-3282 Fax: (818) 662-4141 8 SENC ACKNOWLEDGEMENT TO: (Name and Address). 20385 STRATEGIC FUND

UCC FINANCING STATEMENT

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CT Lien Solutions 27411705 P.O. Box 29071 NJNJ Glendale, CA 91209-9071

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Case 12-25751-GMB Doc 33-2 Filed 08/21/12 Entered 08/21/12 17:38:40 Desc Exhibits Page 37 of 60 Exhibit G



Contract# 108121 Sales Partner: Capital Solutions / John Aitkens

MERCHANT CASH ADVANCE AGREEMENT

	March	23 (Dana)		en Strategic Funding Sout	ice me (and) and mar	nerchant listed below ("the	c MELCHANT.)
	(Month)	(Day)	(Year)	MERCHANT INFOR	MATION		
Merchant's Legal	Name: Lexxi	. Inc					
D/B/A: Bernard's	Salon & Spu	(Cherry)	Hill)	State of	f incorporation/organization	n; NJ	
Type of entity: (X) Corporatio	n()Lin	nited Liability C	Company () Limited Partne	ership () Limited Liabilis	y Partnership () Sole Prop	prictor
Physical Address:				City: Cherry Hill			
Mailing Address:				City;	State:	Zip:	
Date business star	ied (mm/yy):	01/90		Federal ID#	decky		
Monthly Total Sal	les		<u></u>	lonthly Card Sales	Month	y Cash Sales	
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respects. SFSI may produce a monthly statement reflecting the delivery of the Specified Percentage of Receipts from Merchant to SFSI via Processor.

ANY MISREPRESENTATION MADE BY MERCHANT OR ANY OWNER/GUARANTOR IN CONNECTION WITH THIS AGREEMENT MAY CONSTITUTE A SEPARATE CAUSE OF ACTION FOR FRAUD OR INTENTIONAL MISREPRESENTATION.

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SFS-MA 02-10-12

MERCHANT CASH ADVANCE AGREEMENT TERMS AND CONDITIONS

1. TERMS OF ENROLLMENT IN PROGRAM

1.1 Merchant Cash Advance Agreement. These terms and conditions shall be incorporated in and made a part of the attached Merchant Cash Advance Agreement (such Merchant Cash Advance Agreement (such Merchant Cash Advance Agreement), this "Agreement").

1.2 Merchant Processing Agreement, Merchant shaff execute an agreement (the "Morchant Processing Agreement") acceptable in SFSI, with a card processor acceptable to SFSI, to obtain eard processing services. Merchant shall authorize Processor to deduct the uniounts awad to SFSI for the Receipts as specified herein from settlement amounts which would otherwise be due to Merchant from Processor card transactions and to pay such amounts to SFSI pursuant to SFSI's instructions to Processor. The authorization shall be irrevocable without the written consent of SFSI. Processor may sely upon the instructions of SPSI. without any independent verification, in making such deductions and payments, and Merchant waives any claims for damages it may have against Processor in connection with such acts unless such damages were due to Processor's failure to follow SFSI's instructions. 1,3 Purchase Price Reduction. SFSI may, in its sole discretion, reduce the Purchase Price if one or more card processing conditions are not satisfied.

14 Bridge / Control Account, Merchant may be required to open a new bank account into which 100% of the settlement amounts will be deposited and the Specified Percentage collected by SFSI (the "Bridge ! Control Account"). Merchant appoints SFSI as "Acting Agent" over the Bridge / Control Account, and shall instruct Processor to designate the Bridge / Control Account as the deposit account for all of Merchant's customers' card transactions. Merchant assumes all responsibility for all fees, costs, chargebacks or suspicious items processed through the Bridge / Control Account (see "Miscellancous Service Fees" paragraph 3.7). Merchant agrees to maintain a minimum halance in the Bridge / Control Account (the "Minimum Bulance") equal to the per-month average of all fees charged to Merchant by Processor, averaged over a six-month period.

Merchant and each 1.5 Financial Condition. Owner/Guarantor authorize SPSI, its agents and representatives, and any credit reporting agency engaged by SFSI, to investigate their creditworthiness, financial responsibility and history, and they agree to provide SFSI any financial statements, tax returns, references, or other credit or financial information as SPSI deems necessary prior to or after execution of this Agramment. A photocopy of this authorization will be deemed as acceptable for release of credit and financial information. Morchant and each Owner/Guarantor authorize SFSI to update their credit and financial prairie from time to time in the fixture, as SPSI deems appropriate. An investigative or consumer report may be made or obtained in connection with this Agreement. 1.6 Transactional History. Merchant authorizes Processor and each of Merchant's banks to provide SFSI upon request with Merchant's card history or bank statements, as applicable.

1.7 Indemnification. Merchant and each Owner/Guarunter jointly and severally indemnify and hold harmless Processor, its officers, directors and shareholders against all losses, damages, claims, liabilities and expenses (including reasonable attorney's fees) incurred by Processor resulting from (a) claims asserted by SFSI for monies owed to SFSI from Merchant and (b) actions taken by Processor in rellance upon information or instructions provided by SESI.

1.8 No Liability. In an event will Processor or SFSI be liable for any claims asserted by Merchant under

any legal theory for lost profits, lost revenues, lost business opportunities, exemplary, punitive, special, incidental, indirect or consequential damages, each of which is waived by Merchant and each Owner/Gustantov.

1.9 Reliance on Terms. Sections 1.2, 1.7, 1.8, 2.5, and 4.6 hereof are agreed to for the benefit of Merchant, SFSI and Processor, and notwithstanding the fact that Processor is not a party to this Agreement, Processor may rely upon their terms and raise them as a defense in any action.

1.10 Sale of Receipts. Merchant and SFSI intend that the transfer of the interest in the Receipts from Merchant to SPSI constitute a sale, and not a loan, for all purposes. Merchant agrees that the Purchase Price equals the fair market value of such interest. If, notwithstanding such intent, such transfer is not doctned to constitute a sale, Merchant hereby grants to SFSI a accurity interest in all right, title and interest of Merchant in and to the Recoipts, which security interest shall secure the payment of the Purchased Amount and all other obligations of Merchant under this Agreement. in no event shall the aggregate of all amounts deemed interest hercunder and charged or collected hercunder exceed the highest rate permissible at law. In the event that a court determines that SESI has charged or received interest herounder in excess of the highest applicable rate, the rate in effect hereunder shall automatically be reduced to the maximum rate pormitted by applicable law and SFSI shall promptly refund to Merchant any interest received by SFSI in excess of the maximum lawful rate, it being intended that Merchant not pay or contract to pay, and that SPSI not receive or contract to receive, directly or indirectly in any manner whatsoever, interest in excess of that which may be paid by Merchant under applicable law. Merchant heroby authorizes SPSI to file any financing statements decined necessary by SFSI to perfect or maintain SFSI's interest in the Receipts.

1.11 Power of Attorney, Merchant irrevocably appoints SPSI and any assignee of SPSI as its agent and attorney-in-fact with full authority to take any notion or execute any instrument or document to settle all abligations due to SPSI from Processor, or upon the occurrence of an Event of Default under Section 3.1 hereof, to settle all obligations due to SPSI from Merchant, under this Agreement, including without Hapitation (1) to obtain and adjust insurance; (11) to collect manies due or to became due under or in respect of may of the Collateral (as defined in the Merchant Security Agreement and Guaranty); (iii) to receive, endorse and collect any chocks, notes, drafts, instruments, documents or challed paper in connection with clause (i) or clause (ii) above; (iv) to sign Merchant's name on any invoice, bill of lading, or assignment directing engronners or account debtors to make payment directly to SFSI; and (v) to file any claims or take any action or institute any proceeding which SFSI may doom necessary for the collection of any unpuld Purchased Amount from the Collateral, or otherwise to enforce its rights with respect to payment of the Purchased Amount.

1.12 Protection of Information. Merchant and each person signing this Agreement on behalf of Merchant and/or as Owner/Guarantor, in respect of fitneelf or herself personally, authorizes SFSI to disclose to any third party information concerning Merchant's and each Owner/s/Guarantor's credit standing (including credit burean reports that SFSI obtains) and business conduct. Merchant and cach Owner/Guarantor harply waive to the maximum extent permitted by law any claim for damages against SFSI or any of its afficient of any (i) investigation undertaken by or on behalf of SFSI as permitted by this Agreement or (ii)

disclosure of information as permitted by this Agreement.

1.13 Contidentiality, Merchant understands and agrees that the terms and conditions of the products and services offered by SFSI, including this Agreement, the Merchant Security Agreement and Guaranty and any other documents executed in connection with such agreements or related to such agreements (collectively, "Confidential Information") are proprietary and confidential information of SFSI. Accordingly, unless disclosure is required by law or court order, Merchant shall not disclose Confidential Information to any person other than an attorney, accounted, financial advisor or employee of Merchant who needs to know such information for the purpose of advising Merchant ("Advisor"), pravided such Advisor uses such information solely for the purpose of advising Merchant and first agrees in writing to not disclose Cunfidential Information to my person in accordance with the terms of this Section 1.13.

1.14 Publicity. Morchant and cach Owner/Guarantor authorize SFSI to use their respective names in a listing of clients and in udvertising and marketing materials.

1.15 198/A's Merchant and each Owner/Guarantor foreby neknowledge and agree that SFSI may be using "doing business as" or "d/b/a" names in connection with various mutters relating to the transaction between SFSI and Merchant, including the filing of UCC-1 financing statements and other notices or filings.

1.16 Financial Information. Merchant and each Owner/Guarantor shall provide to SFSI upon request copies of financial statements representing the financial condition of Merchant and/or such Owner/Guarantor.

II. REPRESENTATIONS, WARRANTIES AND COVENANTS

Merchant and each Owner/Guarantor each represents, warrants and covenants that us of the date of this Agreement and on such date during the term of this Agreement:

2.1 Financial Condition and Financial Information.
Its financial statements, copies of which have been fittished to SFSI, and any financial statements fittished to SFSI hereafter, fairly represent the financial condition of Merchant and each Owner/Gunrantor at such dates, and since those dates there has been no material adverse change, financial or otherwise, in such condition or in the operation or ownership of Merchant. Merchant has a continuing, affirmative obligation to advise SFSI of any material adverse change in its financial condition, operation or ownership.

2.2 Governmental Approvals, Merchant is and will remain in compliance with all laws and has valid permits, authorizations and licenses to own, operate and lease its properties and to conduct the business in which it is presently engaged.

2.3 Authorization. Merchant, and the person(s) signing this Agreement on behalf of Merchant, have full power and authority to execute this Agreement and to incur and perform the obligations under this Agreement, all of which have been duty authorized.

2.4 Insurance. Merchant has and will maintain business-interruption insurance naming SFSI as loss payer and additional insurance in such amounts and against such ricks as are satisfactory to SFM and shall provide SFSI proof of such insurance upon request.

2.5 Merchant Processing Agreement and Arrangements, Without SFSI's prior written consent, Morehant will not: (i) change the card processor through which the Receipts are settled from Processor to another card processor; (ii) permit any event to occur that could cause diversion of any of Merchant's card transactions from Processor to another processor; (iii) change its arrangements with Processor is amend the

Merchant Processing Agreement in any way that is 2.14 Delivery of Confession of Judgment. Upon edverse to SPSI; (iv) add eard processing terminals; (v) use multiple card processing terminals; (vi) change its financial institution or bank account(s) (including, if applicable, the Bridge / Control Account); (vii) take any other action that could have any adverse effect upon Merchant's obligations under this Agreement or SFSI's interest in the Receipts; or (vili) take any action, fail to take any action, or offer any incomivoeconomic or otherwise—the result of which could be to discourage the use of cards that are settled through Processor, or to induce any customers to pay for Merchant's services with any means other than cards that are settled through Processor, or permit any event to occur that could have an adverse effect on the oxe, acceptance, or authorization of cards for the purchase of Merchant's services and products.

2.6 Change of Name or Location. Merchant will not conduct its businesses under any name other than as disclosed to Processor and SPSI or change any of its places of business.

2.7 Daily Batch Out. Merchant will batch out receipts with Processor on a daily basis.

2.8 Estoppel Certificate. Merchant will at any time. and from time to time, upon at least one (1) day's prior notice from SPSI to Morchant, execute, acknowledge and deliver to SFSI and/or to any other person, firm or corporation specified by SFSI, a statement certifying that this Agreement is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications) and stating the dates on which die Purchased Amount or any portion thereof has been

puid.
2.9 No Brakruptev. Neither Merchant nor any Owner/Guaranter has filed any petition for hankenpley protection under Title 11 of the United States Code, no involuntary petition for bankruptcy has been brought or is pending against Merchant or any Owner/Guarantor, neither Merchant nor any Owner/Guarantor has admitted in writing its inability to pay its debts or made a general assignment for the benefit of creditors, and no other proceeding has been instituted by or against Merchant or any Owner/Guaranter seeking to adjudicate it insolvent or socking reorganization, arrangement, adjustment or composition of it or its debts. Merchant does not anticipate filing any such bankruptcy petition and is not aware and has no reason to believe that any such bankruptcy petition or other proceeding will be filed or brought against it or may Owner/Guaranior

2.10 Other Financine, Merchant shall not enter into any arrangement, agreement or comminment that relates to or involves Receipts, whether in the form of a purchase (such as a merchant cash advance) of, a loan against, or the sale or purchase of credits against, any Receipts, cash deposits or future card or mobile payment sales with any party other than SFSI without its written permission.

2,11 Unencumbered Receipts. Merchant has good and marketable title to all Roccipts, free and clear of any and all liabilities, liens, claims, changes, restrictions, conditions, options, rights, mortgages, scenrity interests, equities, pledges and encumbrances of any kind or nature whatsoever or any other rights or interests that may be inconsistent with the transactions contemplated with, or adverse to the interests of, SFSI. 2.12 Business Purpose. Merchant is a valid business in good standing under the laws of the jurisdictions in which it is organized and/or operates, and Merchant is entering into this Agreement for business purposes and

րայ)oscs. 2.13 Default Under Other Contracts, Merchant's execution of or performance under this Agreement will not cause or create any breach or default by Merchant under any contract with another person or entity.

not as a consumer for personal, family or household

execution of this Agreement, Merchant shall, if requested by SFSI, deliver to SFSI an executed Confession of Judgment (the "Contession of Judement"), in the form provided by SPSI, in favor of SFSI in the amount of the Purchased Amount.

2.15 Delivery of Assignment of Lense. Merchant and each Owner/Gustantor suthorize SPSI to receive pertinent information regarding the commercial lease for the physical location(s) of Merchant's business (the "Premises") from any applicable leasing company and or agent. Merchant may be asked to deliver to SFSI an executed Assignment of Lease assigning all of Merchant's right, title and interest in and to the Premises and under the lease for the Premises to SFSI (the "Assignment of Leaso").

2.16 Sale of Business. Merchant shall not sell, dispose, transfer or utherwise convey its business or assets without (i) the express prior written consent of SFSI, and (ii) the written agreement of any purchaser or transfered assuming all of Merchant's obligations under this Agreement pursuant to documentation satisfactory to SFS1.

2.17 Bridge / Control Account 18 Morohant is required to open a Bridge / Cuntrol Account, (i) Merchant will not, unless otherwise directed in writing by SPSI, take any action to cause the Specified Percentage of the selllement amounts to be settled or delivered to any account other thun the Bridge / Control Account and (ii) Merchant will at all times maintain the Minimum Balance in the Bridge / Control

2.18 Use of Proceeds. Merchant will conduct its business and use the Purchase Price in the ordinary course of its business, consistent with past practice.

2.19 Accuracy of Information, All information provided by Merchant and such Owner/Guaranter to SFSI herein, in the Merchant Socurity Agreement and Guaranty, and in all other documents executed in connection with such agreements or related to such agreements is true, accurate and complete in all

IIL EVENTS OF DEFAULT AND REMEDIES

3.1 Events of Default. The occurrence of any of the following events shall constitute on "Event of Default" beneunder: (a) Merchant or any Owner/Guammor violates any term, covenant or condition in this Agreement, the Merchant Security Agreement and Couranty or any other agreement with SFSI; (b) any representation or warranty by Merchant or any Owner/Guarantor in this Agreement, the Merchant Security Agreement and Guaranty or any other agreement with SFSI shall prove to have been incorrect, incomplete, false or misleading in any material respect when made; (c) Merchant or any Owner/Guarantor admits in writing its inability to pay its debts, or makes a general assignment for the benefit of croditors; or any proceeding shall be instituted by or against Merchant or any Owner/Guarantor seeking in adjudicate it hankrupt or insolvent, or seeking adjustment. reorganization, arrangement, composition of it or its debta; (d) any Owner/Guarantos sends a notice of termination of the Merchant Security Agreement and Charanty; (c) Merchant suspends, dissolves or terminates its business; (1) Merchant sells all or substantially all of its assets; (g) Merchant makes or sends notice of any intended bulk sale or transfer by Merchant; (h) Merchant performs my net that incumbers the cash flow of the business placing undue stress on the viability of the operations and reduces the value of the Collaieral or the scentity interest granted in the Colleteral under the Merchant Security Agreement and Guaranty; (i) any Owner/Guarantor performs any not that reduces the value of the Additional Collateral (us defined in the Merchant Security Agreement and Guaranty) or the security

interest granted in the Additional Collateral under the Merchant Security Agreement and Guaranty; or (1) Merchant or any Owner/Guarantor files any pelition for bankruptcy under the United States code or an involuntary patition for bankruptcy has been brought or is pending against Merchant or any Owner/Guarantor, (k)Merchant or any Owner/Guaranter defaults under any of the terms, covenants and conditions of any other agreement with SFSI including those with affiliated / usacciated businesses.

3.2 Remedies. Upon the accurrence of an Event of Default that is not waived pursuant to Section 4.4 hereof, SFSI may proceed to protect and enforce its rights or remedies by suit in equity or by action at law. or both, whether for the specific performance of any covenant, agreement or other provision contained herein, or to enforce the performance of Merchant's and each Owner's/Guarantor's obligations bereimder, under the Merchant Security Agreement and Gueranty, or pursuant to any other legal or equitable right or remedy. Upon SFSI's notice to Merchant of any Event of Default, the entire Receipts Purchased Amount and unpaid fees not already paid to SFSI shall become immediately due and payable to SFSI. In addition, upon an Brent of Default (i) SFSI may enforce the provisions of the Merchant Scourity Agreement and Guaranty against each Owner/Guarantor; (ii) SFSI may enforce its security interest in the Collateral and Additional Collateral; (iii) SFSI may debit Merchant's deposit accounts wherever situated by means of ACH debit or faccimile signature on a computer-generated check drawn on Merchant's bank account or otherwise; (iv) SFSI may enter the Confession of Judgment as a judgment with the appropriate Clerk of Court and execute thereon; and (v) SFSI may exercise its rights under the Assignment of Lease. All rights, powers and remedies of SPSI in connection with this Agreement and the Merchant Security Agreement and Charanty may be exercised at any time by SFSI after the occurrence of an Every of Default, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity. 3.3 Costs, Merchant and each Owner/Guaranter shall

pay to SFSI all costs reasonably incurred by SFSI in ennnection with (a) any Event of Default including without limitation any breach by Merchant or any Owner/Guaranter of the representations, warrantles and covenants in this Agreement or the Merchant Security Agreement and Guaranty, and (b) the enforcement of SFSI's remedies set forth in Section 3,2 hercof, including but not limited to court costs and attorneys'

3.4 Required Notifications. Merchant and each Owner/Guarantor shall give SPSI written notice within 24 hours of any filing by Merchant or any Owner/Guaranter under Title 11 of the United States Code or of the occurrence of any other event described in Section 3.1(c) hereof. Merchant shall give SFSI seven days' written notice prior to the closing of any sale of all or substantially all of Morchant's assets or stock. Merchant shall give SYSI seven days' written notice prior to the suspension, dissolution or terminations its business. 3.5 Default Fee. Upon the Occurrence of any Event of Default, and written notice to Merchant thereof, Merchant shall pay to SFSI a default fee ("Default Pec") of \$2,500. This Default Fee shall be payable on demand and stand in addition to any other fees or penalties outlined within this Agreement, the Merchant

Security Agreement or Guaranty,
3.6 Processor Change Fee. Merchant shall pay a processor change fee (the "Processor Change Fee") in SFSI in the amount of \$5,000.00 in the event that Merchant (i) uses multiple card processing terminals without the prior written consent of SFSI, (ii) changes its eard processor without the prior written consent of SFSI or (iii) directs Processor to deliver settlement

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amounts to any account other than the Bridge / Control Account (if Merchant is required to open a Bridge / Control Account). Such Processor Change Fee (i) shall be due and payable to SFSI on demand, (ii) is not exclusive of, and is cumulative with, any other fee or amount paid or payable to SPSI by Merchant pursuant to this Agreement or the Merchant Security Agreement and (instanty, and (iii) shall not be construed as a waiver of any Event of Default hereunder or under the Merchant Security Agreement and Guaranty or as otherwise operating to reduce or limit SFSI's rights or comedies provided for hereunder, under the Merchant Scentity Agreement and Guaranty or at law or in equity,

3.7 Miscellaneous Service Pees. Merchant shall pay certain fees for services related to the origination and maintenance of accounts which may include but not be limited in: Merchant finding is done electronically to their designated bank account and charged a fee of \$30.00 for a Ped Wire or \$12,50 for an ACH. The fee for underwriting and origination is \$295,00 paid from the funded amount. If Merchant is utilizing a Bridge / Control Account, there is an upfront teo of \$395.00 for the bank fees and administrative costs of maintaining such account for each cash advance agreement with Merchant, Fund transfers from Bridge / Control Accounts to Merchant's openiting bank account will be charged \$7.50 per month via ACH. Merchant will be charged \$35,00 for each change of its operating bank account once active with SFSI. Any administrative adjustments associated with changes to the Specified Percentage will incur a fee of \$50.00 per occurance.

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IV. MISCELLANEOUS

4.1 Modifications: Arrements. No modification, amondment, or waiver of any provision of, or consent to any action under, this Agreement or the Merchant Security Agreement and Gunranty shall be effective unless the same is in writing and signed by SPSI.

4.2 Assignment, SPSI may assign its rights aud/or obligations under this Agreement and/or the Morohant Socurity Agreement and Guaranty in whole or in part without prior notice to Merchant or any Owner/Guarantor, including, without limitation, its right to receive all or any portion of the Purchased Amount and its obligation to fund all or any portion of the Purchase Price. Merchant acknowledges that, if any such assignment is made, persons other than SFSI may have the right to exercise rights or remedies against Merchant pursuant to this Agreement. Merchant shall not have, and no Owner/Gourantor shall have, the right to assign its rights and/or obligations under this Agreement und/or the Merchant Security Agreement and Guaranty or any interest herein or therein without the prior written consent of SFS1, which consent may be withheld in SPSI's sale discretion.

4.3 All notices, requests, consent, demands and other communications heremoder and under the Merchant Security Agreement and Guaranty shall be delivered by ordinary mail, effective upon mailing, to the respective parties to this Agreement and the Merchant Security Aeroencut and Guaranty at the addresses set forth in this Agreement and shall become effective only upon receipt. The Parties hereto may also send such notices, requests, consent, demands and other communications via facsimile ("FAX") or electronic mail ("Email") at such FAX numbers and consil addresses communicated by the parties hereto in writing.

exercise, and no delay in exercising, any right under this Agreement or the Marchant Security Agreement and Guaranty shall operate as a waiver thereof, nor shall to the Acceptable Forum.

any single or partial exercise of any right under this 4.8 Survival of Representation. Agreement or the Merchant Security Agreement and Guaranty preclude any other or further exercise thereof or the exercise of any other right. The remedies provided hereunder and under the Merchant Security Agreement and Charanty are comulative and not exclusive of any remedies provided by law or equity.

4.5 Solicitations. Merchant and each Owner/Guarantor authoriza SPSI and its affiliates to communicate with, solicit and for murket to Merchant and each Owner/Guarantor via regular mail, telephone, email and facsimile in connection with the provision of goods or services by SPSI, its affiliates or any third party that SFSI shares, transfers, exchanges, discloses or provides information with and will hold SFSI, its affiliates and such third parties harmless against any and all claims pursuant to the federal CAN-SPAM ACT of 2003 (Convolling the Assault of Non-Solicited Pornography and Marketing Act of 2003), the Telephone Consumer Protection Apt (TCPA), and any and all other state or federal laws relating to transmissions or solicitations by and any of the methods described above.

4.6 Terminated Merchant File and Match File. Merchant expressly acknowledges that a Terminated Merchant File ("TMP"), or any successor therein, is maintained by MasterCard or VISA containing the business name and names and identification of principals of merchants which have been terminated for one or more of the reasons specified in MusterCard or VISA operating regulations. Such reasons include, but are not limited to, fraud, counterfeit drafts, unauthorized transactions, excessive chargo-baoks and retrieval requests, money hundering, or where a high scentity risk exists. MERCHAN'T ACKNOWLEDGES THAT PROCESSOR AND SPST ARE REQUIRED TO REPORT THE BUSINESS NAME OF MERCHANT AND THE NAMES AND TOENTIFICATION OF ITS PRINCIPALS TO THE TMF WHEN A MERCHANT IS TERMINATED FOR ONE OR MORE OF THE REASONS SPECIFIED IN MASTERCARD OR VISA OPERATING REGULATIONS, MERCHANT EXPRESSLY AGRUES AND CONSENTS TO SUCH REPORTING BY PROCESSOR AND SEST AND RELICASES EACH FROM ANY DAMAGES FOR DOING SO IN GOOD FAITH.

4.7 Binding Effect: Governme Law, Young and Jurisdiction. This Agreement and the Merchant Scourity Agreement and Guaranty shall be binding aron and inure to the benefit of Marchant, much Dwner/Clustantor, SFSI and their respective successors and assigns. This Agreement and the Merchant Security Agreement and Guaranty shall be governed by and construed in accordance with the laws of the State of New York, without regard to any applicable conflicts of law principles. Any suit, action or proceeding urising bereunder or under the Merchant Security Agreement and Guaranty, or the interpretation, performance or breach hereof or thereof, shall, if SFSI so elects, he instituted in any court sitting in New York, New York, (the "Acceptable Formy"), Each of Merchant and each Owner/Guaranter agrees that any state or federal court sitting in the Acceptable Forum is convenient to it, hereby irrevocably and unconditionally submits to the personal jurisdiction of any such court and hereby waives any and all objections to jurisdiction or vanue. Each of Merchant and each Owner/Guarantor agrees that a final judgment in any such suit, action or proceeding brought in any such court shall be conclusive and binding upon such party and may be embraced in any other courts to whose jurisdiction such party is or may be subject, by suit upon such judgment. Should such suit, action or proceeding be initiated in 4.4 Waiver Remedies, No failure on the part of SFSI to my other forum, Merchant and cach Owner/Gunnantor waive any right to oppose any motion or application nude by SFSI to transfer such suit, action or proceeding

representations, warranties and covenants herein and in the Merchant Security Agreement and Guaranty shall survive the execution and delivery of this Agreement and the Merchant Security Agreement and Guaranty and shall continue in full force until all obligations under this Agreement and the Merchant Security Agreement and Guaranty shall have been satisfied in full and this Agreement and the Merchant Security Agreement and Guaranty shall have terminated.

4.9 Severability, in case any of the provisions in this Agreement or the Merchant Security Agreement and Guaranty is found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of any other provision contained herein or therein shall

not in any way he affected or impaired.

4.10 Entire Agreement. Any provision hereof or of the Merchant Security Agreement and Guaranty prohibited by law shall be ineffective only to the extent of such prohibition without invalidating the remaining provisions herent or thereof. This Agreement and the Merchant Security Agreement and Guaranty embody the entire agreement between Merchant, each Owner/Guarantor and SF51 and supersede all print agreements and understandings relating to the subject matter hercof.

HERETO WAIVE TRIAL WAIVER THE PARTIES HERETO WAIVE TRIAL BY JURY IN ANY COURT IN ANY SUIT, ACTION OR PROCREDING ON ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE MERCHANT SECURITY AGREEMENT AND CHARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY OR THE ENFORECEMENT HEREOF OR THEREOF. THE PARTIES HERETO ACKNOWLEDGE
THAT EACH MAKES THIS WAIVER
KNOWINGLY, WILLINGLY, VOLUNTARILY
AND WITHOUT DURESS, AND ONLY AFTER
EXTENSIVE CONSIDERATION OF THE
RAMIFICATIONS OF THIS WAIVER WITH ITS ATTORNEYS.

4.12 CLASS ACTION WAIVER. THE PARTIES HERETO WAIVE ANY RIGHT TO ASSERT ANY CLAIMS AGAINST ANY OTHER PARTY AS A REPRESENTATIVE OR MEMBER IN ANY CLASS OR REPRESENTATIVE ACTION, EXCEPT WHERE SUCH WAIVER IS PROHIBITED BY LAW. TO THE EXTENT ANY PARTY IS PERMITTED BY LAW OR COURT OF LAW TO PROCEED WITH A CLASS OR RETRESENTATIVE ACTION AGAINST ANOTHER PARTY, THE PARTIES HERETO AGAINST AGREE THAT: (1) THE PREVAILING PARTY SHALL NOT BE ENTITIED TO RECOVER ATTORNEYS' PEES OR COSTS ASSOCIATED WITH PURSUING THE CLASS ACTION REPRESENTATIVE MOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT OR THE MERCHANT SECURITY AGREEMENT AND CHARANTY); AND (2) THE PARTY WHO INITIATES OR PARTICIPATES AS A MEMBER OF THE CLASS WILL NOT SUBMIT A CLAIM OR OTHERWISE PARTICIPATE IN ANY RECOVERY SECURED THROUGH THE CLASS OR REPRESENTATIVE ACTION.

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4.13 Counterparts: Facsimile and PDF Acceptance.

This Agroement and the Merchant Security Agreement and Guaranty may be executed in counterparts, each of which shall constitute on original, but all of which together shall constitute one instrument. Signatures on this Agreement and the Merchant Security Agreement and Guaranty sent by flushmile or PDF will be treated as original signatures for all purposes.

INITIALS:

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Desc

STRATEGIC FUNDING SOURCE, INC - MERCHANT SECURITY AGREEMENT AND GUARANTY

Merchant's Legal Name: Lexxu. Inc

D/B/A: Bernard's Salon & Spa (Cherry Hill)

Physical Address: 100 Spring Dale Rd

City: Cherry Hill State: NJ

Zíp: 08003

Federal ID# Redacted

SECURITY AGREEMENT

Security Interest. To secure Merchant's payment and performance chligations to SFSI under the Merchant Cash Advance Agreement between Merchant and SFSI (the "Merchant Agreement"), Merchant hereby grants to SFSI a security interest in all personal property of Merchant, including all accounts, chattel paper, eash, deposit accounts, documents, equipment, general intangibles, instruments, inventory, or investment property, as those terms are defined in Article 9 of the Uniform Commercial Code of the State of New York as anxended (the "UCC"), whether now or hereafter owned or acquired by Merchant and wherever located; and all proceeds of such property, as that term is defined in Article 9 of the UCC (cullectively, the "Collectively, the "Collectivel

Cross-Collecteral. To secure Guarantor's payment and performance obligations to SPSI under this Merchant Security Agreement and Guaranty (this "Agreement"), each Guarantor hereby grants SFSI a security interest in Bernard's of Mariton LLC (d/b/a Bernard's Salon & Spa (Mariton)). b2 Salon, LLC (d/b/a b2 Salon (Egg Harbor)), b2 Salon, LLC (d/b/a b2 Salon, LLC (d/b/a b2 Salon (South Broad)) (the "Additional Collecteral"). Each Guarantor agrees and acknowledges that SPSI will have a security interest in the aforesaid Additional Collecteral upon execution of this Agreement.

Each of Merchant and each Guaranter agrees to execute any documents or take any action in connection with this Agreement as SPSI deems necessary to perfect or maintain SFSI's first priority security interest in the Cultuteral and Additional Collateral, including the execution of any control agreements. Each of Merchant and each Guaranter hereby authorizes SFSI to file any financing statements deemed necessary by SFSI to perfect or maintain SFSI's security interest, which financing statements may contain notification that Merchant and each Guaranter have granted a negative pledge to SFSI with respect to the Collateral and Additional Collateral, and that any subsequent lender or liener may be tortionally interfering with SFSI's rights. Merchant and each Guaranter shall be jointly und severally liable for and shall pay to SFSI's rights. Merchant and each Guaranter shall be jointly und severally liable for and shall pay to SFSI's necessary for the said expenses, including but not limited to attorneys' fees, which may be incurred by SPSI in protecting, preserving and enforcing SFSI's security interest and rights.

Negative Pledge. Each of Merchant and each Guaranter agrees not to create, incur, assume, or permit to exist, directly or indirectly, any additional cash advances, luans, lien or other encumbrance on or with respect to any of the Collateral or Additional Collateral, as applicable without written permission of SFSI.

Consent to Enter Premises and Assign Lease. SPSI shall have the right to core Merchant's default in the payment of rent for the Premises on the following terms. In the event Merchant is served with papers in an action against Merchant for nonpayment of cent or for summary eviction, SFSI may execute its rights and remedies under the Assignment of Lease. Merchant also agrees that SFSI may enter into an agreement with Merchant's landlord giving SFSI the right: (a) to enter the Premises and to take possession of the fixtures and equipment therein for the purpose of protecting and preserving same; and (b) to assign Merchant's lease to another qualified merchant capable of operating a business comparable to Merchant's at the Premises.

Remedies. Upon any Event of Default, SPSI may pursue any remedy available at law (including those available under the provisions of the UCC) or in equity to collect, enforce, or satisfy any obligations then owing to SFSI, whether by acceleration or otherwise.

GUARANTY

Performance Commuty. Each undersigned Guarantor ("Guarantor") hereby unconditionally guarantees to SFSI the payment and performance by Merchant of all of its ubligations under this Agreement and the Merchant Agreement, as each agreement may be renewed, amended, extended or otherwise modified from time to time (the "Guaranteed Obligations"). Guaranteer shall be liable for and SFSI may charge and collect all costs and expenses, including but not limited to attorneys' fees, which may be included by SFSI in connection with the collection of any or all of the Guaranteed Obligations from Guarantee or the enforcement of this Agreement.

Guaranter Waivers. In the event that Merchant fails to make a payment when due or otherwise perform under the Merchant Agreement, STSI may enforce its rights under this Agreement without first seeking to obtain payment from Merchant, any other guaranter, or any Collateral or Additional Collateral STSI may hold pursuant to this Agreement or any other guaranty.

SPSI does not have to notify Guaranter of any of the following events and Guaranter will not be released from any of its obligations under this Agreement If it is not notified of: (i) Merchant's failure to pay timely any amount owed under the Merchant Agreement; (ii) may material or adverse change in Merchant's financial condition or business operations; (iii) any sale or other disposition of any collateral securing the Guaranteed Obligations, including without limitation the Collateral or Additional Cultateral, or any other guarantee of the Guaranteed Obligations; (iv) SPSI's acceptance of this Agreement; or (v) may renewal, extension or other modification of the Merchant Agreement or Merchant's other obligations to SFSI. In addition, SFSI may take any of the following actions without releasing Gouranter from any of its obligations under this Agreement : (i) renew, extend or otherwise modify the Merchant Agreement or Merchant's other obligations to SFSI; (ii) release Merchant from its obligations to SFSI; (iii) sell, release, impair, wrive or otherwise tail to realize upon any collateral securing the Guaranteed Obligations or any other guarantee of the Guaranteed Obligations; and (iv) forcelose on any collateral acquiring the Guaranteed Obligations or any other guarantee of the Guaranteed Obligations, including without limitation the Collateral or Additional Collectual, in a manner that impairs or precludes the right of Guaranter to obtain reimbursement for payment under this Agreement. Until the Purchased Amount and Merchant's other obligations to SFSI under the Merchant Agrocament and this Agreement are paid and performed in full, Guaranter shall not seek reimbursement from Merchant or any other guaranter for any amounts paid by it under this Agreement. Guaranter permanently waives and shall not seek to exercise any of the following rights that it may have against Merchant, suy other guaranter, or any colluteral provided by Merchant or any other guaranter, for any amounts paid by it, or acts performed by it. under this Agreement: (i) subrogation; (ii) reimbursement; (iii) performance; (iv) indomnification; or (v) contribution. In the event that SPSI must return any amount paid by Merchant or any other guaranter of the Guaranteed Obligations because that person has become subject to a proceeding under the United States Bankruptcy Code or any similar law, Quaranter's obligations under this Agreement shall include that amount. Guaranter agrees that its obligations under this Agreement shall be irrevneable and shall be unconditional irrespective of any oircumstance that might otherwise operate as a legal or equitable discharge of a guaranter or a defense of a guaranter.

Quaranter Actingwiedgement. Guaranter acknowledges that: (i) he/she understands the seriousness of the provisions of this Agreement and that any migrepresentation may constitute traud; (ii) he/she has had a full apportantly to consult with counsel of his/her choice; and (iii) he/she has consulted with counsel of his/her choice or has decided not to avail himself/herself of that opportunity.

Joint and Several Liability. The obligations hereunder of each Guaranter are joint and several.

INITIAL	

THE TERMS, DEFINITIONS, CONDITIONS AND INFORMATION SET PORTITION THE "MERCHANT CASH ADVANCE AGREEMENT", INCLUDING THE "MERCHANT CASH ADVANCE AGREEMENT TERMS AND CONDITIONS", ARE HEREBY INCORPORATED IN AND MADE A PART OF THIS AGREEMENT, CAPITALIZED TERMS NOT DEFINED IN THIS AGREEMENT SHALL HAVE THE MEANINGS SET FORTH IN THE MERCHANT CASH ADVANCE AGREEMENT TERMS AND CONDITIONS.

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Exhibit H

C FINANCING STATEMENT LOW INSTRUCTIONS (front and back) CAREFULLY AME & PHONE OF CONTACT AT FILER [options] Phone: (800) 331-3282 Fax: (818) 662-4141		مر شد ہ	ø	
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LEXXA, INC.	* *		•	
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	city Cherry Hill	STATE NJ	POSTAL CODE 08003	COUNTRY
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DITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debto	or name (2a or 2b) - do not abbreviate o	r combine n	ames	
za organization's name Bernard's Salon & Spa			*	
2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDOLE	NAME	SUFFIX
	Cherry Hill	STATE NJ	POSTAL CODE 08003	COUNTRY
E INSTRUCTIONS ADD'L INFO RE 20. TYPE OF ORGANIZATION 2	T. JURISDICTION OF ORGANIZATION		ANIZATIONAL ID #, If any	
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Strategic Funding Source, Inc.				
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Exhibit I

Desc 2/19



Contract# 57941 Sales Partner: Capital Solutions / John Aitkens

MERCHANT CASH ADVANCE AGREEMENT

Agreement dated	September (Month)	20 (Day)	2011 (Year)	between Stra	logic Funding Sour	e luc. (" <u>SFSP</u>	') and the merchant l	isted below ("1	he <u>Merchant</u> ").
	(Mount)	(Duy.)	(1001)		MERCHANT INFORM	MOLTA			
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D/B/A: Berngirl's					State of	ncorporation/o	rganization:		
				Illey Company	() f.Imited Partner	ship () finis	ed Liebility Parmers	hip () Solc Pr	oprictor
Physical Address:					City: Marlton		State: NI		08053
Mailing Address:	,		· · · · · · · · · · · · · · · · · · ·	* *************************************	City:	, NAME -	State:	Zip:	
Date business star	ted: <u>91/96</u>				Federal TOH Rea	cated			
Monthly Total Sal	es			Monthly (Card Sales		Monthly Cash Sa	les	the state of the s
				PURCHASE	AND SALK OF FULL				
Merchant's future of prepaid cards and of scrivices until the processing (as defi-	secounts, contra- other similar pay succhased amous ned bolow) and/	of rights yment or ne specif for the Pu	and other t urds in the led below irchiesed A	ights to paymen ordinary course (the " <u>Parchased</u> mount may be a	of Marchant's business <u>Amount</u> ") has been d djusted by SFSI and M	if the "Received of the colored by More careful writing the carefu	') for the payment of he chant to SFSI, provide if one or more und pr	Acrolomic's sale of that the Purcha seessing condition	
SFSI the percentage as SFSI receives p	e specified belo symant in full	w (the "	Specified I furthused	<u>'encenture")</u> of d Amount. Purthe	Merchant's settlement imore Merchant will t	ot enter into an	other useh advance og runy other agreement TERMS AND COND	reement of any between SFSI a THONS, the Spi	it to or for the benefit of teesipts, until such time offict type of factoring and Morchent, upon the ecified Percentage shall
Purchase Price: §	25,000,00			Specified Per	centage: 20 %		Receipts Purchased	Amount: <u>\$32.4</u>	75.00
AL AL A 1 PR 4 PRES 2 & A 14741	THE "MERC RETO, ARE III no Ji. (Print Name (Print Name	ERRBY und Title	SECURII INCORPO	V ALMIGICALE	NI AND GUARAN ND MADE A PART	1	EMENT.	ANCE AGREE VE FORM" E	MENT TERMS AND ACH OF WHICH IS Sign Here Sign Here
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STRATEGIC FU	NING SOUR			Officer)	Associate Name	(Signal)	urė)	-Att. All Control of the Control of	

Each person signing this Agreement on behalf of Merchant represents that he or she is authorized to sign this Agreement on behalf of Merchant, and each person signing this Agreement on behalf of Merchant and/or as Owner/Communic represents that the information provided herein and in all of SFSP's forms is true, accurate and complete in all respects. SPSI may produce a monthly statement reflecting the delivery of the Specified Percentage of Receipts from Merchant to SFSI via Processor.

ANY MISREPRESENTATION MADE BY MERCHANT OR ANY OWNER/GUARANTOR IN CONNECTION WITH THIS AGREEMENT MAY CONSTITUTE A SEPARATE CAUSE OF ACTION FOR FRAUD OR INTENTIONAL MISREPRESENTATION.

MERCHANT CASH ADVANCE AGREEMENT TERMS AND CONDITIONS

I. TERMS OF ENROLLMENT IN PROGRAM

1.1 Merchant Cash Advance Agreement. These terms and conditions shall be incorporated in and made a part of the attoched Merchant Cash Advance Agreement (such Merchant Cash Advance Agreement, as supplemented by these terms and conditions, this "Agreement").

1.2 Merchant Processing Agreement. Merchant shall execute an agreement (the "Merchant Processing Agreement") acceptable to SFSI, with a card processor acceptable to SFSI, to obtain eard processing services. Merchant shall authorize Processor to deduct the amounts owed to SFSI for the Receipts as specified herein from settlement amounts which would otherwise he due to Merelyint from Processor card transactions and to pay such amounts to SFSI pursuant to SFSI's instructions to Processor. The authorization shall be irrevocable without the written consent of SFSL Processor may rely upon the instructions of SYSI, without my independent verification, in making such deductions and payments, and Merchant waives any claims for damages it may have against Processor in connection with such acts unless such damages were due to Processor's failure to follow SFSI's instructions. 1.3 Purchase Price Reduction. SFSI may, in its solo discretion, reduce the Purchase Price if one or more card processing conditions are not satisfied.

1.4 Bridge / Control Account. Merchant may be required to open a new bank account into which the Specified Percentage of the settlement amounts will be deposited (the "Bridge / Control Account") Merchant appoints SFSI as "Acting Agent" over the Bridge / Control Account, and shall instruct Processor to designate the Bridge / Control Account as the deposit secount for all of Merchant's customers' Merchant assumes all card transactions. responsibility for all fees, costs. charge-backs or Suspicious frems processed through the Bridge O' Control Account (see "Miscollancous Service Fees" purugraph 3.7). Merchant agrees to maintain a minimum balance in the Bridge / Control Account (the "Minimum Balance") equal to the per-month average of all fees charged to Merchant by Processor, sveraged over a six-month period.

1.5 Flungcial Condition. Merchant and cach Owner/Guaranter authorize St'SI, its agents and representatives, and any credit reporting agency engaged by SFSI, to investigate their credit worthiness, financial responsibility and history, and they agree to provide SFSI any Ilnancial statements, tax returns, references, or other credit or financial information as SFSI dooms necessary prior to or after execution of this Agraement. A photocopy of this authorization will be deemed as acceptable for release of credit and financial Information. Morohant and each Owner/Guarantor authorize SPSI to update their credit and financial profile from time to time in the future, as SFSI deems appropriate. An investigative or consumer report may be made or obtained in connection with this Agreement. 1.6 Transactional History. Merchant authorizes Processor and each of Merchant's banks to provide SPSI upon request with Morchant's card history or bank statements, as applicable.

1.7 Intermitication. Merchant and each Chyner/Guerantor jointly and severally indemnify and hold hamness Processor, its officers, directors and abarcholders against all losses, duranges, claims, liabilities and expenses (including reasonable attorney's fees) incurred by Processor resulting from (a) claims asserted by SFSI for monies owed to SFSI from Merchant and (b) actions taken by Processor in reliance upon information or instructions provided by

1.8 No Liability. In no event will Processor or SPSI be liable for any claims asserted by Merchant under

any legal theory for lost profits, lost revenues, lost business opportunities, exemplury, punitive, special, incidental, indirect or consequential duranges, each of which is waived by Merchant and each Owner/Constantor.

1.9 Retinuce on Terms. Sections 1.2, 1.7, 1.8, 2.5, and 4.6 hereof are agreed to for the benefit of Merchant, SFSV and Processor, and notwithstanding the fact that Processor is not a party to this Agreement, Processor may rely upon their terms and raise them as a defense in any action.

1.10 Sale of Receipts. Merchant and SFSI intend that the transfer of the interest in the Receipts from Merchant to SFSI constitute a sale, and not a loan, for all purposes. Merchant agrees that the Porchase Price equals the fair market value of such interest. If, notwithstanding such untent, such transfer is not deemed to constitute a sale, Merchant hereby grants to SFSI a security interest in all right, title and interest of Merchant in and to the Receipts, which security interest shall accure the payment of the Purchased Amount and all other obligacions of Merchant under this Agreement, In no event shall the aggregate of all amounts deemed interest hemander and charged or collected hereunder exceed the highest rate permissible at law. In the event that a court determines that SFSI has charged or received interest hereunder in excess of the highest applicable rate, the rate in effect hereunder shall automatically he reduced to the maximum rate permitted by applicable law and SFSI shall promptly refund to Merchant any interest received by SFSI in excess of the maximum lawful rate, it being intended that Merchant not pay or contract to pay, and that SFSI not receive or contract to receive, directly or ladirectly in may manner whatsoever, interest in excess of that which may be paid by Mcrchaut under applicable law. Merchant hereby authorizes SPSI to file any financing statements deemed necessary by SFSI to perfect or maintain SPSI's interest in the Receipts.

1.11 Power of Attorney, Merchant irrevocably appoints SPSI and any assignee of SPSI as its agent and attorney-in-their with full authority to take any aution or execute any instrument or document to settle uil obligations due to SPSI from Processor, or upon the occurrence of an Event of Default under Section 3.1 hereof, to settle all obligations due to SFSI from Morchant, under this Agreement, including without Unnitation (i) to obtain and adjust insurance; (ii) lo collect monies due or to become due under or in respect of any of the Colluteral (us defined in the Morchant Security Agreement and Quaranty); (iii) to receive, endorse und collect any checks, notes, drafts, instruments, documents or chattel paper in examerican with clause (i) or clause (ii) shove, (iv) to sign Merchant's name on any invoice, bill of lading, or assignment directing customers or account debtors to make payment directly to SFSI; and (v) to file may claims or take any action or institute may proceeding which SPSI may deem necessary for the collection of any unpaid Purchased Amount from the Colluteral, or otherwise to enforce its rights with respect to payment of the Parchisod Amount.

of the Parchase Amount.

1.12 Protection of Information, Merchant and cach person signing this Agreement on behalf of Morchant and/or at Owner/Guarantor, in respect of himself or herself personally, authorizes SFSI to disclose to any third party information concerning Merchant's and each Owner's/Guarantor's crodit standing (including credit bureau reports that SFSI obtains) and business conduct. Merchant and each Owner/Guarantor hereby waive to the maximum extent permitted by law any cludin for damages against SFSI or any of its affiliates relating to any (i) investigation undertaken by or on behalf of SFSI as permitted by this Agreement or (ii)

disclosure of information as permitted by this Agreement.

1.13 Confidentiality. Morehant understands and agrees that the terms and canditions of the products and services offered by SPSI, including this Agreement, the Merchant Security Agreement and Guaranty and any other documents executed in connection with such agreements or related to such agreements (collectively, "Confidential Information") are proprietary and confidential information of SFSI. Accordingly, unless disclosure is required by law or court order, Merchank shall not disclose Confidential Information to any person other than an attorney, accountant, financial advisor or employee of Merchant who needs to know such information for the purpose of advising Merchant ("Advisor"), provided such Advisor uses such information solely for the purpose of advising Merchant and first agrees in writing to not disclose Confidential information to any person in accordance with the terms of this Section 1.13.

1.14 Publicity. Merchant and each Owner/Guarantor authorize SFSI to use their respective names in a fisting of clients and in advartising and marketing materials.

1.15 11/B/A's. Merchant and each Owner/Guarantor

hereby acknowledge and agree that SPSI may be using doing business at or "d/b/a" agmes in connection with various mattern relating to the transaction between SPSI and Merchant, including the filing of UCC-1 financing statements and other notices or filings.

1.16 Financial Information, Merchant and each Owner/Guerantor shall provide to SFSI upon request copies of financial statements representing the financial condition of Merchant and/or such Owner/Guerantor.

II. REPRESENTATIONS, WARRANTIES AND COVENANTS

Merchant and each Owner/Guarantor each represents, warrants and covenants that as of the dute of this Agreement and on each dute during the term of this Agreement:

2.1 Financial Condition and Financial Information.

Its financial statements, copies of which have been famished to SPSI, and any financial statements furnished to SPSI hereafter, fairly represent the financial condition of Merchant and each Owner/Chartentor at such dates, and since those dates those has been no material adverse change, financial or otherwise, in such condition or in the operation or ownership of Merchant. Merchant has a continuing, affirmative obligation to advise SPSI of any material adverse change in its financial condition, operation or ownership.

2.2 Governmental Approvals. Morehent is and will remain in compliance with all laws and has valid permits, authorizations and licenses to own, operate and lease its properties and to conduct the business in which it is presently engaged.

2.3 Authorization. Merchant, and the person(s) signing this Agreement on behalf of Merchant, have full power and authority to execute this Agreement and to incur and perform the obligations under this Agreement, all of which have been duly authorized.

2.4 Insurance. Merchant has and will mutauin business-interruption insurance naming SPSI as loss payer and additional insured in such amounts and against such risks as are suitsfactory to SFSI and shall require SPSI proof of such insurance upon request.

provide SFSI proof of such insurance upon request.

2.5 Merclunt Processing Agreement and Arrangements, Without SFSI's prior written consent, Merchant will not: (i) change the eard processor through which the Receipts are sertled from Processor to another card processor; (ii) pormit any event to occur that could cause diversion of any of Merchant's card reassections from Processor to another processor; (iii) change its arrangements with Processor or amend the

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Merchant Processing Agreement in any way that is adverse to SFSI; (iv) add and processing terminals; (v) use multiple card processing terminals; (vi) change its tinancial institution or bank account(s) (including, if applicable, the Bridge / Control Account); (vil) take any other action that could have any adverse officer upon Merchant's obligations under this Agreement or SPSU's interest in the Reveipts; or (viii) take any action, fail to take any action, or offer any incentiveeconomic or otherwise-the result of which could be to discourage the use of cards that are settled through Processor, or to induce any customers to pay for Merchant's services with any means other than cards that are settled through Processor, or permit any event to occur that could have an adverse effect on the use, acceptance, or authorization of cards for the prachase of Merchant's services and products.

2.6 Change of Name or Location. Merchant will not conduct its businesses under any name other than as disclosed to Processor and SFSI or change any of its places of business.

2.7 Daily Batch Out. Merchant will batch out receipts

with Processor on a daily basis.

2.8 Estended Certificate. Merchant will ut any time, and from time in time, upon at least one (1) day's prior notice from SFSI to Merchant, execute, acknowledge and deliver to SFSI and/or to any office person, firm or corporation specified by SFSI, a statement certifying that this Agreement is immodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications) and stating the dates on which the Purchased Amount or any portion thereof has been

2.9 No Bunkruptey. Noither Merchant nor any Owner/Guarantor has filed any petition for bankruptay protection under Title 11 of the United States Code, no involuntary position for bankruptcy has been brought or is pending against Merchant or any Owner/Guarantor, nolition Marphunt not any Owner/Guaranter has admitted in writing its leability to pay its debts or made a general assignment for the bountit of creditors, and no other proceeding has been instituted by or against Merchant of any Dwner/Gurranter seeking to adjudiente it insolvent or seeking roorganization, sursingement, adjustment or composition of it or its debts. Merchant does not anticipate filing any such bunkrupucy petition and is not aware and has no reusem to believe that any such bankruptcy polition or other proceeding will be filed or brought against it or any Owner/Quarantur.

2.10 Working Capital Funding. Morehant shall not onter into any arrangement, agreement or commitment that relates to or involves Receipts, whether in the form of a purchase (such as a merchant cash advance) of, a loan against, or the sale or purchase of credits against, Receipts or future card sales with any purty other than

2.11 [Incommutered Receipts, Merchant has good and marketable title to all Receipts, free and clear of any and all tiabilities, liens, claims, changes, restrictions, conditions, opinions, rights, mortgages, recourly interests, equities, pledges and encumbrances of any kind or nature whatsoever or any other rights or Interests that may be inconsistent with the transactions contemplated with, or ndvarse to the interests of, SFS1.
2.12 Instances Purposes. Merchant is a valid business in good standing under the laws of the jurisdictions in which it is organized anador openates, and Merchant is entering into this Agreement for business purposes and not as a consumer for personal, family or household purposos.

2.13 Default Under Other Contracts. Morehant's execution of or performance under this Agreement will not cause or create any breach or default by Merchant under any contract with another person or entity.

2.14 Delivery of Confession of Judement, Upon

execution of this Agreement, Merchant shall, % requested by SPSI, deliver to SPSI an executed Confession of Judgment (the "Confession of Judgment"), in the form provided by SPSI, in favor of SPSI in the amount of the Purchased Amount.

2.15 Delivery of Assignment of Lense. Merchant and each Owner/Guarantor authorize SESI to receive pertinent information regarding the commercial lease for the physical location(s) of Merchant's business (the "Premises") from any applicable leasing company and or agent. Merchant may be asked to deliver to SFSI an executed Assignment of Lease assigning all of Merchant's right, title and interest in and to the Premises and under the lease for the Premises to SFSI (the "Assignment of Lease").

2.16 Sale of Business, Merchant shall not sall, dispuse, transfer or otherwise convey its husiness or assets without (i) the express prior written consent of SFSI, and (ii) the written agreement of any purchaser or transferee assuming all of Merchant's obligations unfor this Agreement pursuant to documentation salisfactory to SFSI.

2.17 <u>Bridge / Control Associat.</u> If Merchant is required to open a Bridge / Control Account, (f) Merchant will not, unless otherwise directed in writing by SFSI, take any action to cause the Specified Percentage of the settlement amounts to be settled or delivered to my account other than the Bridge / Coutrol Account and (ii) Merchant will at all times maintain the Minimum Balance in the Bridge / Control Account.

2.18 Use of Proceeds. Merchant will conduct its business and use the Purchase Price in the ordinary course of its business, consistent with past practice.

2.19 Accurate of Information. All information provided by Merchant and caon Owner/Gunnator to SPSI herein, in the Merchant Security Agreement and Guaranty, and in all other documents executed in connection with such agreements or related to such agreements is true, accurate and complete in all respects.

III. EVENTS OF DEBAULT AND REMEDIES

3.1 Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" horounder; (a) Merchant or any Owner/Guaranter violates any term, covenant or condition in this Agreement, the Merchant Security Agreement and Guaranty or any other agreement with SFSI; (b) any representation or warranty by Merchant or any Owner/Quarantor in this Agreement, the Merchant Security Agrocment and Cluarunly or any other agreement with SFSI shall prove to have been incorrect, incomplete, false or misleading in any material respect when made; (a) Merchani or any Owner/Guarantor admits in writing its lumbility to pay its dobts, or makes a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against Merchant or any Owner/Gustantor seeking to adjudicate it bankrupt or insolvent, or seeking arrangement, adjustment, morganization. composition of it or its debts; (d) any Owner/Quaranter sends a notice of termination of the Marchant Security Agreement and Charenty; (e) Merchant suspends, dissolves or terminates its business; (1) Merchant sells all or substantially all of its assets; (g) Morchant enters into any other factoring agreement; (h) Merchant portorns any act that reduces the value of the Colleteral or the security interest granted in the Colluteral under the Merchant Socurity Agreement and Charanty; (i) any Owner/Guaranter performs any net that reduces the value of the Additional Collateral (us defined in the Microhant Scourtly Agreement and Guaranty) of the scourity interest granted in the Additional Collateral under the Merchant Scourity Agreement and Charanty; or (i) Merchant or any Owner/Querantor defaults under any of the terms,

coverients and conditions of any other agreement with SFSI.

3.2 Remedies. Upon the occurrence of an Event of Default that is not waived pursuant to Section 4.4 hereof SPSI may proceed to protect and enforce its rights or remedies by suit in equity or by action at law, or both, whether for the specific performance of any covenant, agreement or other provision contained herein, or to enforce the partirmance of Merchant's and each Owner's/Guaranter's obligations hercunder, under the Merchant Scentity Agreement and Guaranty, or pursuant to any other legal or equitable right or cemedy. Upon SPSI's notice to Merchant of any Event of Default, the entire Purchased Amount not already paid to SESI shall become immediately due and payable to SFSI. In addition, upon an Event of Default (i) SFSI may enforce the provisions of the Merchant Security Agreement and Guaranty against each Owner/Contractor; (ii) SFSI may enforce its security interest in the Colluteral and Additional Collateral; (iii) SFSI may debit Merchant's deposit accounts wherever situated by means of ACH debit or facsimile signature on a computer-generated check drawn on Merchant's bank secount or otherwise; (iv) SFSI may enter the Confession of Judgment as a judgment with the appropriate Clerk of Court and execute thereon; and (v) SFSI may exercise its rights under the Assignment of Loase. All rights, powers and semedies of SFSI in connection with this Agreement and the Merchant Security Agreement and Guaranty may be exercised at any time by SPSI after the occurrence of an Event of Default, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remodies provided by law or equity,

3.3 Crasts, Merchant and each Owner/Guaranter shall pay to SPSI all costs reasonably incurred by SPSI in connection with (a) any fivent of Default including without limitation any breach by Merchant or any Owner/Guaranter of the representations, warranties and covenants in this Agreement or the Morchant Security Agreement and Guaranty, and (b) the anforcement of SPSI's remedies set forth in Section 3.2 hereof, including but not limited to court costs and attoracys'

tices. 3A Required Notifications. Merchant and each Owner/Courantor shall give SFSI written notice within 24 hours of any filing by Merchant or any Owner/Guarantor under Title 11 of the United States Code or of the occurrence of any other event described in Section 5.1(c) hereof. Merchant shall give SPSI seven days' written notice prior to the closing of any sale of all or substantially all of Merchant's assets or stock. Merchant shall give SPSI seven days' written notice prior to the exemples, dissolution or terminations its business. 3.5 Default Waiver Fee. Upon Morchant's request, SFSI may elect in its sole discretion to waive the occurrence of an Event of Dufault under this Agreement or the Merchant Security Agreement and Guaranty, provided that Merchant shall pay a default walver fee (the "Default Waiver Fee") for each such univer in the amount of \$2,500.00 to SESI, which amount shall be due and payable to SPSI on demand. Such Default Woiver Fee shall be payable for each Event of Default occurring under this Agreement or the Merchant Security Agreement and Guaranty and waived pursuant to this Section 3.5, and no such waiver of an Event of Default shall in any way be construed as a waiver by SFSI of any other necurrence of an Event of Default, or as otherwise limiting SPSI's rights or remedies provided for herounder, under the Merchant Security Agreement and Chumanty, or by law or equity. 3.6 Processor Change Rec. Merchant shall pay a processor change fee (the "Processor Change Fee") to SFSI in the amount of \$5,000,00 in the event that Merchant (i) uses multiple card processing terminals without the prior written consent of SFSL (ii) changes

its cord processor without the prior written coment of SFSI of (iii) directs Processor to deliver settlement emounts to any account other than the Bridge / Control Account (if Merchant is required to open a Bridge / Control Account. Such Processor Change Fee (i) shall be due and payable to SFSI on demand, (li) is not exclusive of, and is commitative with, any other fee or amount paid or payable to SFSI by Merchant pursuant to this Agreement or the Morohank Security Agreement and Quaranty; and (iii) shall not be construed as a waiver of any Event of Default hersunder or under the Merchant Security Agreement and Guaranty or as otherwise operating to reduce or limit SFSI's rights or remedies provided for herounder, under the Merchant Security Agreement and Gueranty or at law or in

3.7 Miscellaneous Service Pees. Merchant shall pay certain fees for services related to the origination and maintenance of accounts. Merchant shall receive its funding alcotronically to its designated bank account and will be charged \$30.00 for a Fed Wire or \$12.50 for a bank ACIL Current charges for the underwriting and origination of this Agreement is \$295.00 paid from the funded amount. If Merclant is utilizing a Bridge / Control Account, there is a one time, upfront fee of \$395.00 for the administrative costs of maintaining such account for each cash salvance agreement with Morchant. Fund transfers from Bridge / Control Accounts in Merchant's operating bank account will be charged \$7.50 per month via ACH. Mcrehant will be charged \$35.00 for every additional change of its operating bank account once such account is active with SFSI. Additional copies of prior monthly statements will incor a fee of \$10.00 each.

IV. MISCELLANEOUS

4.1 Modifications: Agreements. We incommented. smendment, or waiver of any provision of, or consent to any action under, this Agreement or the Morchant Security Agreement and Guaranty shall be affective unless the same is in writing and signed by SFSI.

4.2 Assignment, SPSI may assign its rights and/or obligations under this Agreement and/or the Merchant Security Agreement and Guaranty in whole or in part without prior notice to Merchant or any Owner/Guncantor, including, without limitation, his right to receive all or any partion of the Purchased Amount and its obligation to fund all or any portion of the Purchase Price. Merchant admowledges that, if any such assignment is made, persons other than SFSI may have the right to exercise tights or remedies against Merchant possumt to this Agreement. Merchant shall not have, and no Owner/Guarantor shall have, the right to assign its rights and/or obligations under this Agreement and/or the Morchant Security Agreement and Guaranty or any interest herein or therein without the prior written consent of SPSI, which consent may be withheld in SFSI's sule discretion.

4.3 Notices. All notices, requests, consent, demunds and other communications hereunder and under the Merchant Security Agreement and Guaranty shall be delivered by corrified mail, return receipt requested, to the respective parties to this Agreement and the Merchant Security Agreement and Guntanty at the addresses set forth in this Agreement and shall become effective only upon receipt.

4.4 Waiver Remedica. No failure on the part of SFSI to exercise, and no delay in exercising any right under this Agreement or the Merchant Scourley Agreement and Guaranty shall operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement or the Merchant Security Agreement and Guaranty proclude any other or further exercise thereof or the exercise of any other right. The remedies provided hereunder and under the Merchant Security 4.13 Counterparts: Pacsimile and PDF Accentance.

exclusive of any terredies provided by law or equity.

4.5 Solicitations, Merchant and each Owner/Guaranter authorize SFSI and its affiliates to communicate with, soliult and for market to Merchant and each Owner/Charantor via regular muil, telephone, emuil and facsimile in connection with the provision of goods or services by SFSI, its affiliates or my third party that SPSI shares, transfers, exchanges, discloses or provides information with and will hold SPSI, its attiliates and such third parties harmless against any and all claims pursuant to the federal CAN-SPAM ACT of 2003 (Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003), the Telephone Consumer Protection Act (TCPA), and any and all other state or federal laws relating to transmissions or solicitations by and any of the methods described above.

4.6 Terminated Merchant bile and Match File. Morehant expressly noknowledges that a Terminated Merchant File ("IMP"), or any successor thereto, is maintained by MasterCard or VISA containing the business name and names and identification of matter hereof. business natic and names and identification of maker befor.

principals of morehants which have been terminated for 4.11 MRY TRIAL WAIVER. THE PARTIES one or more of the maxons specified in MosterCard or HERETO WAIVE TRIAL BY JURY IN ANY VISA operating regulations. Such reasons include, but COURT IN ANY SUIT, ACTION OR are not limited to, fraud, counterfeit deafts, unauthorized PROCEEDING ON ANY MATTER ARISING IN are not limited to, fraud, counterfeit drafts, unauthorized transactions, excessive charge-backs and retrieval requests, money laundering, or where a high security risk exists. MERCHANT ACKNOWLEDGES THAT PROCESSOR AND STSTARE REQUIRED TO REPORT THE BUSINESS NAME OF MERCHANT AND THE NAMES AND IDENTIFICATION OF ITS PRINCIPALS TO THE TMF WHEN A MERCHANT IS TERMINATED FOR ONE OR MORE OF THE REASONS SPECIFIED IN MASTERCARD OR VISA OPERATING REGULATIONS. MERCHANT EXPRESSLY AGREES AND CONSENTS TO SUCH REPORTING BY PROCESSOR AND SISI AND RELEASES EACH FROM ANY DAMAGES FOR DOING SO IN GOOD FAILH.

4.7 Binding Effects Governing Law, Venue and Jurisdiction. This Agreement and the Morphant Security Agreement and Guaranty shall be binding upon and inure to the benefit of Merchant, each Owner/Guarantor, SFSI and their respective successors Agreement and Cluaranty shall be governed by and breach hereof or thereof, shall, if SFSI so olcots, be instituted in any court string in New York, New York, (the "Acceptable Korum"). Each of Merchant and each Owner/Guarantor agrees that my state or federal court sitting in the Acceptable Forum is convenient to it, hereby irrevocably and unconditionally aubmits to the personal jurisdiction of any such court and hereby waives any and all objections to jurisdiction or venue. Each of Merchant and each Owner/Guaranter agrees that a final judgment in any such suit, action of proceeding brought in any such court shall be conclusive and binding upon such party and may be enforced in any other courts to whose jurisdiction such party is or may be subject, by suit upon such judgment. Should such suit, action or proceeding be initiated in any other forum, Merchant and each Owner/Gueruntor waive any right to oppose any motion or application made by SFSI to transfer such suit, action or proceeding to the Acceptable Forum.

Survival of Representation. representations, warranties and unventures herein and In the Morehant Security Agreement and Guaranty shall survive the execution and delivery of this Agreement

Agreement and Guaranty are cumulative and not and the Merchant Security Agreement and Guaranty and shall continue in full force until all obligations under this Agreement and the Merchant Security Agreement and Guaranty shall have been satisfied in full and this Agreement and the Merchant Scentity Agreement and Guaranty shall have terminated.

4.9 Severability. In case any of the provisions in this Agreement or the Merchani Security Agreement and Guaranty is found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of any other provision contained herein or therein shall not in any way be affected or impaired.

4.10 Entire Agreement. Any provision hereof or of the Merchant Security Agreement and Guaranty prohibited by law shall be ineffective only to the extent of such prohibition without invalidating the remaining provisions hereof or thereof. This Agreement and the Merchant Security Agreement and Guaranty embody the entire agreement between Merchant, each Owner Guarantor and SPSI and superscele all prior agreements and understandings colating to the subject

CONNECTION WITH OR IN ANY WAY
RELATED TO THIS AGREEMENT OR THE MERCHANT SECURITY AGREEMENT AND GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY OR THE ENFORECEMENT HEREOF OR THEREOF. THE PARTIES HERETO ACKNOWLEDGE THAT EACH MAKES THIS WAIVER KNOWINGLY, WILLINGLY, VOLUNTARILY AND WITHOUT DURESS, AND ONLY AFTER EXTENSIVE CONSIDERATION OF RAMIFICATIONS OF THIS WAIVER WITH ITS ATTORNEYS.

4,12 CLASS ACTION WAIVER. THE PARTIES HERETO WAIVE ANY RIGHT TO ASSERT ANY CLAIMS AGAINST ANY OTHER PARTY AS A REPRESENTATIVE OR MEMBER IN ANY CLASS OR REPRESENTATIVE ACTION, EXCEPT WHERE SUCH WAIVER IS PROHIBITED BY LAW. TO THE EXTENT ANY and assigns. This Agreement and the Merchant Scourity PARTY IS PERMITTED BY LAW OR COURT OF LAW TO PROCEED WITH A CLASS OR Agreement and Charanty shall be governoo by and LAW TO FRANCED WITH A CONSTITUTION OF ACTION AGAINST New York, without regard to any applicable conflicts of ANOTHER PARTY, THE PARTIES HERETO have principles. Any suit, action or proceeding arising AGREE THAT: (1) THE PREVAILING PARTY hereunder or under the Merchant Schurity Agreement SHALL NOT BE ENTITLED TO RECOVER and Guaranty, or the interpretation, performance of ATTORNEYS: FEES OR COSTS ASSOCIATED. PURSUING THE CLASS WITH ACTION REPRESENTATIVE ANY OTHER (NOTWITHSTANDING PROVISION IN THIS AGREEMENT OR THE MERCHANT SECURITY AGREEMENT AND CHARANTY; AND (2) THE PARTY WHO INITIATES OR PARTICIPATES AS A MEMBER OF THE CLASS WILL NOT SUBMET A CLAIM OR OTHERWISE PARTICIPATE IN ANY RECOVERY SECURED THROUGH THE CLASS OR REPRESENTATIVE ACTION.

INITIALS: LLd

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This Agreement and the Merchant Security Agreement and Guaranty may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one instrument. Signatures on this Agreement and the Metchant Scourity Agreement and Guaranty sent by facsimile or PDF will be treated as original signatures for all purposes.

INITIALS: AL.

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STRATEGIC FUNDING SOURCE, INC. MERCHANT SECURITY AGREEMENT AND GUARANTY

Merchant's Legal Name: Bernard's of Marlton LLC

D/B/A: Bernard's Salon & Spa (Mariton)

Physical Address: 795 East Route 70

City: Marlton,

State: NJ

Zip: 08053

Federal ID# Redacted

SECURITY AGREEMENT

Security Interest. To secure Merchant's payment and performance obligations to SFSI under the Merchant Cash Advance Agreement between Merchant and SFSI (the "Merchant Agreement"), Merchant hereby grants to SFSI a security interest in all personal property of Merchant, including all accounts, chattel paper, deposit accounts, documents, equipment, general intengibles, instruments, inventory, or investment property, as those terms are defined in Article 9 of the Uniform Commercial Code of the State of New York as amended (the "LCC"), whether now or horeafter owned or acquired by Merchant and Wherever located; and all proceeds of such property, as that term is defined in Article 9 of the VICC (collectively, the "Collateral").

Cross-Collecteral. To secure Guarautor's payment and performance obligations to SPSI under this Merchant Security Agreement and Guarantor (this "Auresment"), such Guarantor hereby grants SPSI a security interest in ______ b2 Salon, LLC (d/b/a h2 Salon (Egg Harbor)), b2 Salon, LLC (d/b/a h2 Salon (Haddonfield)), b2 Salon. LLC (d/b/a b2 Salon (South Broad)), Lexxa. Inc (d/b/a Bernard's Salon & Spa (Cherry Hill)) (the "Additional Colinteral"). Each Guarantor agrees and acknowledges that SFSI will have a security interest in the aforesaid Additional Collateral upon execution of this Agreement.

Each of Merchant and each Guaranter agrees to execute any documents or bike any action in connection with this Agreement as SESI deems necessary to perfect or maintain SESI's first priority security interest in the Collateral and Additional Collateral, including the execution of any control agreements. Each of Merchant and each Guaranter hereby authorizes SFSI to file any financing statements deemed necessary by SFSI to perfect or maintain SFSI's security interest, which financing statements may contain notification that Merchant and each Guarantor have granted a negative pledge to SPSI with respect to the Collateral and Additional Collateral, and that any subsequent liener may be tortiously interfering with SPSP's rights. Morelum and such Guaranter shall be jointly and severally liable for and shall pay to SPSI upon demand all costs and expenses, including but not limited to attorneys' fees, which may be insured by SFSI in protecting, preserving and enforcing SFSI's security interest and rights.

Negative Pledge. Each of Merchant and each Guaranter agrees not to create, inextr, assume, or permit to exist, directly or indirectly, any lien or other encumbrance on or with respect to any of the Collected or Additional Collateral, as applicable.

Consent to Enfer Premises and Assian Leage. SPSI shall have the right to care Morchant's default in the payment of rent for the Premises on the following terms. In the event Merchant is served with papers in an action against Merchant for nonpayment of tent or for summary eviction, SFSI may exacute its rights and romedics under the Assignment of Lease. Merchant also agrees that SFSI may outer into an agreement with Merchant's lundlord giving SFSI the right. (a) to enter the Promises and to take possession of the fixtures and equipment therein for the purpose of protecting and preserving same; and (h) to assign Merchant's least to another qualified merchant capable of operating a business comparable to Merchant's at the Premises.

Remedies. Upon any Event of Default, SFSI may pursue any remedy available at law (including those available under the provisions of the UCC) or in equity to collect, enforce, or satisfy my obligations then owing to SFSI, whether by acceleration or otherwise.

Performance Concenty. Each undersigned Guarantor ("Guarantor") hereby unconditionally guarantees to SPSI the payment and performance by Merchant of all of its chligations under this Agreement and the Merchant Agreement, as each agreement may be renewed, amended, extended or otherwise mudified from time to time (for "Guaranteed Obligations"). Guarantee shall be liable for and SFSI may charge and collect all costs and expenses, including but not limited to attorneys' fees, which may be incoured by SFSI in connection with the exilection of any or all of the Guaranteed Obligations from Guaranter or the enforcement of this Agreement.

Guarantur Waivers. In the event that Merchant fails to make a payment when due or otherwise perform under the Merchant Agreement, SPSI may enforce its rights under this Agreement without that seeking to obtain payment from Merchant, any other guaranter, or any Collatoral or Additional Collateral SFSI may hold pursuant to this Agreement or any other guaranty.

SFSI does not have to notify Guaranter of any of the following events and Guaranter will not be released from any of its obligations under this Agreement if it is not notified of: (i) Merchant's failure to pay timely any amount owed under the Merchant Agreement; (ii) any material or adverse change in Merchant's financial condition or luminess on (1) premium a manufacture of the district of any collections (iii) any sale or other disposition of any collecting securing the Guaranteed Obligations, including without limitation the Collateral or Additional Collected, or any other guarantee of the Guaranteed Obligations; (iv) SFSI's acceptance of this Agreement; or (v) any renewal, extension or other modification of the Merchant Agreement of Merchant's other obligations in SPSI. In addition, SPSI may take any of the following actions without releasing Guarantor from any of its obligations under this Agreement: (i) renew, extend or otherwise modify the Merchant Agreement or Merchant's other obligations to SPSI; (ii) release Merchant from its obligations to SPSI; (iii) sell, release, impair, waive or otherwise fall to realize upon any collateral securing the Guaranteed Obligations or any other guarantee of the Guaranteed Obligations; and (iv) forcolose on any collateral securing the Guaranteed Chliquitous or any other guarantee of the Commenced Chliquitous, including without limitation the Collideral or Additional Colletersi, in a manner that impairs or precludes the right of Guarantor to obtain reimbursement for payment under this Agreement, Until the Purchased Amount and Merchant's other obligations to SPSI under the Merchant Agreement and this Agreement are paid and performed in full, Community shall not seek reimbursement from Merchant or any other guarantor for any amounts paid by it under this Agreement. Quarantor permanently waives and shall not seek to exercise any of the following rights that it may have against Merchant, any other genrenter, or any collateral provided by Merchant or any other genrenter, for any submit paid by it, or outs performed by it, under this Agreement: (i) subrogation; (ii) refurbursement, (iii) performance; (iv) indemnification; or (v) contribution. In the event that SFSI must retem any amount paid by Merchant or any other guaranter of the Guaranteed Obligations because that person has become subject to a prouseding under the United States Bankruptcy Code or any similar law, Guarantee's obligations under this Agreement shall be irrevocable and shall be unconditional irrespective of any circumstance that might otherwise operate as a legal or equitable discharge of a guaranter or a defense of a guaranter.

Guaranter Acknowledgement. Guarantur acknowledges that: (i) he/she understands the seriousness of the provisions of this Agreement and that any misrepresentation may constitute fraud; (ii) he/she has had a full opportunity to consult with counsel of his/her choice; and (iii) he/she has consulted with counsel of his/her choice or has decided not to avail himself/herself of that opportunity.

Joint and Several Liability. The obligations hereunder of each Guaranter are joint and several.

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THE TERMS, DEFINITIONS, CONDITIONS AND INFORMATION SET FORTH IN THE "MERCHANT CASH ADVANCE AGREEMENT", INCLUDING THE "MERCHANT CASH ADVANCE AGREEMENT TERMS AND CONDITIONS", ARE HEREBY INCORFORATED IN AND MADE A PART OF THIS AGREEMENT. CAPITALIZED TERMS NOT DEFINED IN THIS AGREEMENT SHALL HAVE THE MEANINGS SET FORTH IN THE MERCHANT CASH ADVANCE AGREEMENT, INCLUDING THE MERCHANT CASH ADVANCE AGREEMENT TERMS AND CONDITIONS.

11

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OWNER/GUARANTOR #2 By (Print Name and Title) SS#	(Signaturo) Drivers Liconse Number:	Sign Here

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Exhibit J

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